



# SEMIANNUAL REPORT TO THE CONGRESS



**OFFICE OF INSPECTOR GENERAL**

U.S. GENERAL SERVICES ADMINISTRATION

April 1, 2021 – September 30, 2021

# CONTENTS

<b>1</b>	<b>OIG PROFILE</b>
2	OIG Profile
4	OIG Organization Chart
5	Fiscal Year 2021 Results
6	GSA's Management Challenges
<b>7</b>	<b>SIGNIFICANT AUDITS</b>
8	Significant Audits
20	Summary of Contract Audit Reports
21	FAR Disclosure Program
22	Statistical Summary of OIG Audits
<b>27</b>	<b>SIGNIFICANT INSPECTIONS</b>
28	Significant Inspections
<b>31</b>	<b>SIGNIFICANT INVESTIGATIONS</b>
33	Significant Investigations
33	Criminal Investigations
40	Civil Settlements
41	Administrative Misconduct
41	Investigations of Senior Government Employees
42	Fleet Card Fraud
43	WPA Art Investigations
44	Other Significant Work
45	Statistical Summary of OIG Investigations
<b>49</b>	<b>GOVERNMENT-WIDE POLICY ACTIVITIES</b>
50	Government-wide Policy Activities
<b>53</b>	<b>APPENDIXES</b>
54	APPENDIX I Acronyms and Abbreviations
55	APPENDIX II Significant Recommendations From Prior Reports
60	APPENDIX III Audit and Inspection Report Register
62	APPENDIX IV OIG Reports over 12 Months Old, Final Agency Action Pending
64	APPENDIX V OIG Reports Without Management Decision
65	APPENDIX VI Management Decisions Revised or With Which the Inspector General is in Disagreement
66	APPENDIX VII Peer Review Results
67	APPENDIX VIII Government Contractor Significant Audit Findings
68	APPENDIX IX Unimplemented Recommendations
70	APPENDIX X Reporting Requirements

# MESSAGE FROM THE IG



I am pleased to submit to Congress our Semiannual Report for the period of April 1, 2021 through September 30, 2021.

This report closes out a full fiscal year in which our office successfully executed its oversight mission despite the challenges of the global Covid-19 pandemic. We continued to provide a high return on the taxpayer's investment in us. During Fiscal Year 2021, our audit and investigative work identified more than \$392 million in potential cost savings and recovered more than \$83 million for the federal government.

We continue to express to GSA leadership our deep misgivings about the agency's implementation of the Transactional Data Reporting rule and its departure from past sound practices for establishing reasonable prices for government purchases. In June of this year we issued an audit finding that GSA's TDR Pilot is collecting inaccurate and unreliable data, and that, despite the agency's internal evaluation of the pilot's success, the data is not being used to affect pricing decisions. This comes after we found in a 2018 audit that the TDR Pilot Evaluation Plan and Metrics would not enable GSA to objectively measure or evaluate whether the pilot would improve value. This program merits significant reconsideration and we will continue to engage with agency leadership about it.

Fraud and corruption remain major focus areas of our investigative efforts, including the sale of counterfeit and non-conforming products under government contracts, abuse of set aside contract programs intended for veteran-owned and other disadvantaged small businesses, and bribery and kickback schemes. One recent investigation resulted in a company executive pleading guilty to conspiracy to commit wire fraud for selling Chinese-made products with cyber vulnerabilities to government agencies under GSA contracts. Two separate investigations resulted in the sentencing of a former Department of Veterans Affairs contracting officer to 12 months in prison for accepting bribes; and the sentencing of a former project manager for a GSA prime contractor to 30 months in prison for receiving kickbacks from subcontractors. We also obtained significant civil settlements this reporting period in which three companies agreed to pay a combined total of more than \$6.25 million to resolve kickback and set aside fraud allegations raised as a result of our investigative and legal efforts.

Also during this period, our Office of Inspections provided to GSA management an important report identifying specific and pervasive shortfalls in the security and safety of a high-risk facility. Agency leadership acted quickly to correct some of the issues and outlined a comprehensive plan to address the remainder.

As we enter into a new fiscal year, I am optimistic that, despite the challenges of operating during the pandemic, the tremendous professionalism and technical competence of our staff and the continued support of the agency and Congress will enable us to effectively promote efficiency and combat waste, fraud, and abuse in GSA programs.

A handwritten signature in black ink that reads "Carol F. Ochoa". The signature is fluid and cursive.

Carol F. Ochoa  
Inspector General  
September 30, 2021



Photo: The Internal Revenue Service Building, located in Washington, D.C.

# OIG PROFILE

# OIG PROFILE

## ORGANIZATION

The General Services Administration (GSA) Office of Inspector General (OIG) was established on October 1, 1978, as one of the original 12 OIGs created by the Inspector General Act of 1978. The OIG's five components work together to perform the mission mandated by Congress.

The OIG provides nationwide coverage of GSA programs and activities. Our components include:

- **THE OFFICE OF AUDITS**, an evaluative organization staffed with auditors and analysts that provides comprehensive coverage of GSA operations through program, financial, regulatory, and system audits and assessments of internal controls. The office conducts attestation engagements to assist GSA contracting officials in obtaining the best value for federal customers and American taxpayers. The office also provides other services to assist management in evaluating and improving its programs.
- **THE OFFICE OF ADMINISTRATION**, a professional support staff that provides budget and financial management, contracting, facilities and support services, human resources, and Information Technology (IT) services, and administers the OIG's records management program.
- **THE OFFICE OF COUNSEL**, an in-house legal staff that provides legal advice and assistance to all OIG components, represents the OIG in litigation arising out of or affecting OIG operations, and manages the OIG legislative and regulatory review.
- **THE OFFICE OF INSPECTIONS**, a multi-disciplinary organization that analyzes and evaluates GSA's programs and operations through management and programmatic inspections and evaluations that are intended to provide insight into issues of concern to GSA, Congress, and the American public. The office also coordinates quality assurance for the OIG, and analyzes potentially fraudulent or otherwise criminal activities in coordination with other OIG components.
- **THE OFFICE OF INVESTIGATIONS**, a statutory federal law enforcement organization that conducts nationwide criminal, civil, and administrative investigations of illegal or improper activities involving GSA programs, operations, and personnel.

## OFFICE LOCATIONS

### Headquarters:

Washington, D.C.

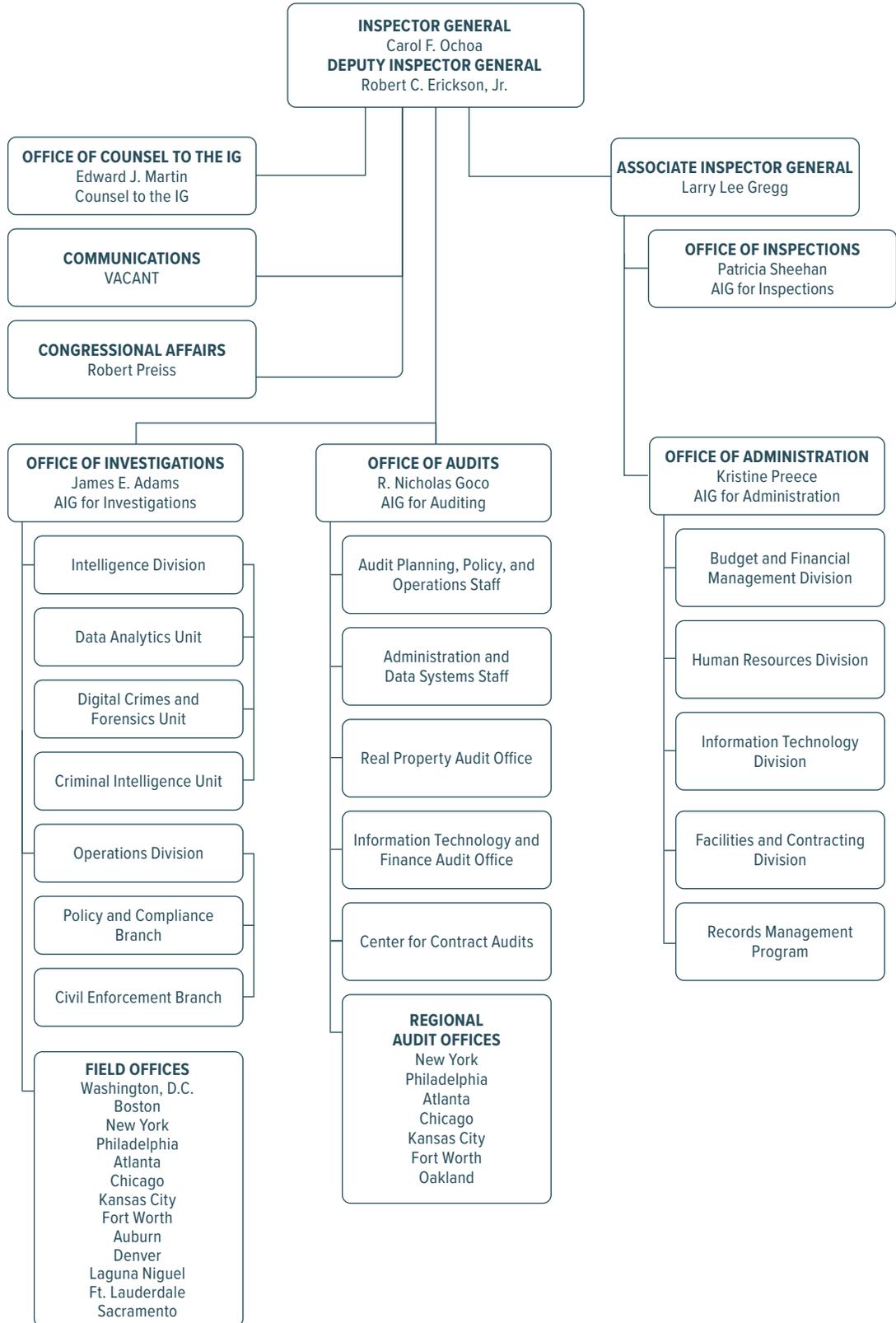
### Field and Regional Offices:

Atlanta, Georgia; Auburn, Washington; Boston, Massachusetts; Chicago, Illinois; Denver, Colorado; Fort Lauderdale, Florida; Fort Worth, Texas; Kansas City, Missouri; Laguna Niguel, California; New York, New York; Oakland, California; Philadelphia, Pennsylvania; and Sacramento, California.

## STAFFING AND BUDGET

As of September 30, 2021, our on-board staffing level was 279 employees. The OIG's Fiscal Year 2021 budget was \$67 million in annual appropriated funds plus \$600 thousand in reimbursable authority.

# OIG ORGANIZATION CHART



# FISCAL YEAR 2021 RESULTS

During Fiscal Year 2021, OIG activities resulted in:

- Over \$392.1 million in recommendations that funds be put to better use and questioned costs. If adopted, these recommendations ultimately result in savings for the taxpayer.
- Over \$83 million in criminal, civil, administrative, and other investigative recoveries.
- 67 audit reports, 4 audit memoranda, 2 evaluation reports, and 1 inspection report that assisted management in improving the efficiency and effectiveness of GSA operations.
- 149 new investigations opened and 129 cases closed.
- 113 subjects accepted for criminal prosecution and 24 subjects accepted for civil litigation.
- 62 criminal indictments/informations and 33 successful prosecutions on criminal matters previously referred.
- 30 civil settlements.
- 27 employee actions taken on administrative referrals involving government employees.
- 190 contractors/individuals suspended and debarred.
- 12 lost pieces of Works Progress Administration artwork recovered.
- 1,930 hotline contacts received. Of these, 78 were referred to GSA program officials for review and appropriate action, 16 were referred to other federal agencies, 41 were referred to the OIG Office of Audits, 4 were referred to the OIG Office of Inspections, 1 was referred to the OIG Office of Counsel, 1 was referred to the OIG Office of Human Resources, and 93 were referred to investigative field offices for investigation or further review.

# GSA’S MANAGEMENT CHALLENGES

The Reports Consolidation Act of 2000, Public Law 106-531, requires the Inspectors General of major federal agencies to report on the most significant management challenges facing their respective agencies. The following table briefly describes the challenges we have identified for GSA for Fiscal Year 2021.

CHALLENGE	BRIEF DESCRIPTION OF CHALLENGE
<b>Establishing and Maintaining an Effective Internal Control Environment</b>	GSA continues to face significant challenges in establishing a comprehensive and effective system of internal control. While GSA has placed a greater emphasis on internal controls, our audit reports continue to identify internal control weaknesses across the broad spectrum of GSA programs, operations, and acquisitions. This indicates a need for direct management attention to develop a more effective internal control environment across GSA.
<b>Improving Contract Administration</b>	GSA faces a challenge in providing appropriate oversight of its contracts and leases. GSA is responsible for the procurement of billions of dollars’ worth of products, services, and facilities for federal government agencies. After award, GSA is required to provide effective oversight of its contracts and leases to ensure that the government is receiving the goods and services it is paying for and to protect taxpayer dollars. Although GSA has taken, or is taking, actions to address oversight issues, our audit reports have repeatedly identified instances where oversight was either insufficient or lacking entirely. Without the appropriate level of oversight, GSA risks undetected fraud, waste, and abuse and violations of the Federal Acquisition Regulation.
<b>Enhancing Government Procurement</b>	GSA has a strategic goal of establishing itself as the premier provider of efficient and effective acquisition solutions across the federal government. As an integral part of GSA, FAS has significant responsibility in meeting this goal. According to FAS, its mission is to provide an exceptional customer experience by delivering best value goods and services through an increasingly digital environment. To meet GSA’s strategic goal and comply with recent legislation, FAS is making significant changes to its processes and programs that create challenges to achieving its own mission.
<b>Maximizing the Performance of GSA’s Real Property Inventory</b>	GSA is challenged with maximizing the performance of its real property inventory to meet the needs of its tenant agencies at a reasonable cost to taxpayers. To achieve this goal, PBS needs to effectively manage its real property inventory to reduce and consolidate space, dispose and exchange federal property, reduce leasing costs, administer the capital construction program, meet the operations and maintenance needs of aging buildings, and ensure effective management of energy and utility contracts.
<b>Implementing GSA’s Role Under the Comprehensive Plan for Reorganizing the Executive Branch</b>	Although GSA has been prohibited from continuing merger-related activities with the U.S. Office of Personnel Management (OPM) pending the results of a study by the National Academy of Public Administration, it will face major challenges with any potential reorganization and transfer of several core functions currently performed by OPM to GSA. In the event of a potential merger, it is imperative that GSA obtain the necessary legal authority or legislation to execute the merger, exercise sufficient due diligence to make informed decisions, and engage relevant stakeholders effectively to ensure transparency in its merger efforts.
<b>Managing Agency Cybersecurity Risks</b>	As cybersecurity threats continue to increase and become more sophisticated, GSA management will remain challenged with identifying, implementing, and enforcing security controls to protect its systems and the sensitive information contained within these systems. Without the appropriate security controls in place to monitor, manage, and mitigate threats and risks to GSA’s IT infrastructure, a cybersecurity attack or human error could easily disrupt organizational operations, placing GSA systems and sensitive information at risk.
<b>Managing Human Capital Efficiently to Accomplish GSA’s Mission</b>	GSA continues to face the challenge with managing its workforce for continued success. GSA executives and senior managers confirmed that human capital is a top Agency risk. GSA must focus on hiring and retaining staff with the necessary skills to perform critical functions, especially given the number of GSA employees in mission-critical roles who will be retirement-eligible in the near future. GSA identified seven mission-critical occupational categories that make up 45 percent of GSA’s workforce. GSA faces the loss of experience and expertise through retirements as 15 percent of the mission-critical workforce are eligible to retire now and 32 percent will be eligible to retire over the next 5 years. The importance of a skilled workforce is highlighted by GSA’s responsibility to provide value to customer agencies, comply with increased regulatory requirements, and mitigate the risk of IT security threats.
<b>Safeguarding Federal Facilities and Providing a Secure Work Environment</b>	GSA plays a significant role in providing a safe, healthy, and secure environment for federal employees and visitors at over 8,600 owned and leased federal facilities nationwide. Our audit reports and recent unrest in many cities demonstrate an ongoing need for GSA management to focus on the safety and security of federal facilities. In addition to physical security, our reports have also found that PBS has not taken adequate action to protect tenants, contractors, and visitors from environmental and health hazards. Our findings demonstrate that GSA faces ongoing challenges in safeguarding federal facilities and providing a secure work environment.
<b>Managing the Impact of COVID-19</b>	GSA received \$295 million in Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding to prevent, prepare for, and respond to the COVID-19 pandemic domestically or internationally. The COVID-19 pandemic has added to the complexities of GSA’s responsibilities, by requiring the Agency to place an added focus on protecting the health and safety of building occupants. GSA has four primary responsibilities during a pandemic emergency: (1) protecting the health and safety of GSA employees, contractors, vendors, and visiting public; (2) maintaining mission-essential functions; (3) supporting federal response efforts; and (4) communicating with employees, tenants, and other stakeholders. Meeting the goals of the CARES Act and the responsibilities of the pandemic plan poses multiple challenges for GSA.

# SIGNIFICANT AUDITS

# SIGNIFICANT AUDITS

The Office of Audits conducts independent and objective audits to improve the effectiveness and efficiency of GSA's management and operations. These audits focus on GSA's programs, internal controls, IT infrastructure, and compliance with federal laws and regulations. Audits are also performed to assist GSA contracting personnel in obtaining the best value for federal customers. During this reporting period, we issued 39 audit reports, including 26 contract audits. Our contract audit work identified over \$285.3 million in potential cost savings and recoveries for the federal government.

## PREAWARD AUDITS

GSA provides federal agencies with products and services through various contract types. We oversee GSA's procurement program, which generates billions of dollars in annual sales through thousands of contracts, by conducting preaward, postaward, and performance audits. Historically, for every dollar invested in our preaward audits, we achieve at least \$10 in savings from lower prices or more favorable contract terms and conditions for the benefit of the taxpayer.

The pre-decisional, advisory nature of preaward audits distinguishes them from other audit products. Preaward audits provide vital, current information enabling contracting officers to significantly improve the government's negotiating position to realize millions of dollars in savings on negotiated contracts.

During this reporting period, three of our more significant preaward audits were of schedule contracts with combined projected government sales of nearly \$520 million. Through these audits, we identified potential savings and recoveries of over \$193 million. We also found, among other things, that commercial sales practices submissions were not current, accurate, or complete; contractors' proposed labor rates were overstated; sales monitoring and billing systems were not maintained to ensure proper price reduction provisions of the schedule contract; reported schedule sales were unsupported; unqualified labor was used; and invoices did not identify billed labor categories.

## PERFORMANCE AUDITS

### GSA'S TRANSACTIONAL DATA REPORTING PILOT IS NOT USED TO AFFECT PRICING DECISIONS

Report Number A140143/Q/6/P21002, dated June 24, 2021

We have monitored GSA's transactional data reporting (TDR) efforts since 2014. Based on our assessment of risks surrounding the TDR pilot, we included this audit in our *Fiscal Year 2019 Audit Plan*. Our objective was to determine the current status of the TDR pilot and if the GSA Federal Acquisition Service's (FAS) implementation of the TDR pilot is meeting its purpose of improving taxpayer value, in accordance with GSA's commentary accompanying its final TDR rule published in the Federal Register.

The TDR pilot has been in effect within GSA's Schedules Program for over four years and has yet to accomplish its intended purpose of improving taxpayer value. FAS's collection of TDR data is not being used to make decisions that affect pricing. This is due to a myriad of issues, including that the TDR data is inaccurate and unreliable and FAS contracting personnel are not using the data. In fact, during the audit, FAS training materials stated that the data should not be used, most contracting personnel did not have access to TDR data, and many of those with access lacked a basic understanding of the data and how to use it. Instead, FAS contracting personnel largely relied on pricing tools to analyze contract pricing. This practice does not leverage the collective buying power of the government and does not ensure that prices reflect the lowest overall cost alternative to meet the government's needs.

While GSA has acknowledged challenges with implementing the TDR pilot, specifically data usability and lack of clear policy or guidance, its Fiscal Year 2020 evaluation still scored it as "Meeting or Exceeding Targets." Despite GSA's evaluation conclusion, the TDR pilot is not meeting its intended purpose of improving taxpayer value. The TDR pilot has introduced additional risks associated with the potential use of inaccurate and unreliable TDR data and reliance on flawed pricing tools.

Based on our audit finding, we made two recommendations to the FAS Commissioner. First, we recommended FAS take immediate action to mitigate the risks associated with the TDR pilot, including restricting additional contractors from opting into the TDR pilot and restricting access to, and use of, the TDR pilot data. Second, we recommended FAS develop and implement an exit strategy for the TDR pilot and transition participating contractors out of the TDR pilot.

The FAS Commissioner agreed with several of our report conclusions; however, he disagreed with our report recommendations and declined to issue a corrective action plan despite agreeing with key conclusions.

## **PBS'S NATIONAL CAPITAL REGION IS FAILING TO ADEQUATELY MANAGE AND OVERSEE THE BUILDING SERVICES CONTRACTS AT THE FDA'S WHITE OAK CAMPUS**

**Report Number A190021/P/5/R21003, dated May 17, 2021**

We initiated this audit after confirming the merits of a hotline complaint expressing a variety of concerns at the U.S. Food and Drug Administration's (FDA's) White Oak campus in Silver Spring, Maryland. These concerns included deficiencies in contract administration, such as unsupported payment for services, inadequate contract oversight, failure to enforce contract requirements, and a lack of required deliverables. The objective of our audit was to determine whether GSA's Public Buildings Service National Capital Region (PBS NCR) is administering and managing the building services contracts at the FDA's White Oak campus in accordance with applicable regulations and policies.

We found that PBS NCR: (1) is failing to manage and oversee building services at the White Oak campus and is not enforcing requirements of the energy savings performance contract (ESPC) task order; (2) is charging FDA for overpriced services that are not being provided; (3) is not ensuring that security protocols are followed; (4) mismanaged fire, life, and safety services for the White Oak campus; (5) allowed employees to perform contracting officer's representative (COR) duties although they lacked the required certification; (6) improperly provided the contractor with the "right of first refusal" for all operations and maintenance (O&M) work on the campus, undermining competition and pricing; (7) improperly destroyed contract file documentation; and (8) is not providing a clean, sanitary, safe, and healthy space at the child care center.

Based on our audit findings, we made 12 recommendations to improve PBS NCR's oversight of the administration and management of the building services contracts at the FDA's White Oak campus. Our recommendations included improving oversight of ESPC savings; withholding payment until the ESPC contractor is able to verify energy savings; renegotiating O&M services; conducting a risk assessment of security vulnerabilities; improving the oversight of the fire, life, and safety contract; removing the "right of first refusal" from task orders; ensuring proper handling of contract documentation; and identifying contractors that can meet the clinical cleaning requirements needed at the child care center.

The PBS Regional Commissioner acknowledged that we "raised several significant issues requiring immediate attention," but did not agree with the report in its entirety.

## **PBS DID NOT ALWAYS FOLLOW CDC AND INTERNAL GUIDANCE TO LIMIT THE RISK OF COVID-19 EXPOSURE**

**Report Number A201018/P/4/R21005, dated August 26, 2021**

In Fiscal Year 2020, we initiated a project to monitor GSA's activities in response to the nationwide public health emergency resulting from confirmed cases of coronavirus disease 2019 (COVID-19) and GSA's implementation of the Coronavirus Aid, Relief, and Economic Security Act. During our monitoring efforts, we identified concerns with GSA's response that could lead to increased exposure to and transmission of COVID-19 in buildings under GSA's jurisdiction, custody, or control. As a result, we initiated an audit of PBS's COVID-19 communication and cleaning procedures.

Our audit objectives were to determine whether PBS: (1) notified building occupants of confirmed COVID-19 cases and (2) cleaned and disinfected impacted space in accordance with Centers for Disease Control and Prevention (CDC) and PBS guidance in order to limit exposure to and transmission of COVID-19 in buildings under its jurisdiction, custody, or control.

In responding to COVID-19 incidents, PBS did not always take appropriate action to limit the risk of exposure to COVID-19 in its owned and leased facilities. We found that PBS did not always receive or provide timely notice of positive COVID-19 incidents in accordance with PBS's notification process. As a result, PBS could not take appropriate action to clean and disinfect affected space. Further, building occupants, contractors, and visitors may have unknowingly passed through space contaminated by individuals infected with COVID-19, and been at increased risk of exposure to and transmission of the disease.

In addition, PBS did not always provide contractors with the correct scope of work to conduct detailed cleaning and disinfection services for contaminated space and did not implement consistent inspection and quality assurance procedures for COVID-19 custodial services. For these reasons, PBS does not have assurance that contractors cleaned and disinfected space in accordance with CDC and PBS guidance.

Based on our audit findings, we made five recommendations to the PBS Commissioner: (1) issue timely notification of all COVID-19 incidents and maximize awareness of COVID-19 in all GSA-controlled facilities; (2) ensure tenant agencies are aware of notification requirements; (3) ensure the correct cleaning scope of work is used when a COVID-19 incident occurs; (4) ensure cleaning inspection procedures and guidance are clear and properly communicated; and (5) implement quality assurance procedures that ensure PBS's consistent oversight of the delivery of safe, efficient, and effective custodial services.

The PBS Commissioner agreed with our report recommendations.

## **FAS'S INADEQUATE OVERSIGHT OF CONTRACTUAL AND SECURITY REQUIREMENTS PLACES THE USACCESS PROGRAM AT RISK**

**Report Number A190067/Q/T/P21003, dated September 24, 2021**

Offered by FAS's USAccess Managed Services Office (MSO), USAccess is a shared service that creates efficiencies across the federal government by centralizing the costs and administration of government-wide identity and credential standards. We performed this audit in response to a referral from our Office of Investigations regarding possible management deficiencies with FAS's USAccess program, which delivers identity and credential management services to more than 100 federal agency customers. Our objective was to determine whether GSA has effective oversight and safeguards in place to ensure that the USAccess contractor fulfills federal and Agency security and contractual requirements.

After issuing an alert memorandum in June 2019 that identified specific USAccess information technology (IT) weaknesses, we continued the audit to address other weaknesses related to the USAccess MSO's oversight of the security requirements and performance of the USAccess contract.

We found that FAS's oversight of the security and contractual requirements for the USAccess contract is inadequate. Specifically, the USAccess MSO, in concert with GSA's Office of the Chief Information Security Officer, failed to ensure USAccess IT security vulnerabilities were remediated within the required time frame, thereby permitting USAccess, a mission-critical system, to operate in violation of GSA IT Security Policy for more than a year. In addition, the USAccess MSO has not effectively held the USAccess contractor accountable for key IT-security-related performance requirements. The USAccess MSO's tolerance for substandard performance has exposed the USAccess system to possible security risks and contributed to an environment lacking in accountability. Finally, the USAccess MSO has also displayed insufficient oversight, management, and rigor in developing contract terms. Taken together, these deficiencies have the potential to increase security risk and compromise program effectiveness and efficiency for the more than 100 federal customer agencies that rely on the integrity of USAccess while also fostering possible reputational damage to GSA and the USAccess program.

Based on our audit findings, we made three recommendations to the FAS Commissioner. We recommended that: (1) FAS, working in consultation with GSA's Office of the Chief Information Security Officer, strengthen USAccess contractual requirements to ensure timely remediation of IT security vulnerabilities; (2) FAS increase contractor accountability and ensure quality performance by revising and enforcing the USAccess contract's quality assurance provisions; and (3) FAS clearly, comprehensively, and accurately delineate security-related contract terms, as well as roles and responsibilities for implementing them.

The FAS Commissioner agreed with our report recommendations.

## AUDIT OF THE PUBLIC BUILDINGS SERVICE'S EFFECTIVENESS IN MANAGING DEFERRED MAINTENANCE

Report Number A190066/P/2/R21009, dated September 30, 2021

PBS acts as a caretaker for more than 8,800 federally owned or leased properties across the country and approximately 369 million square feet of rentable space, providing facility and workspace solutions to more than 50 federal agencies.<sup>1</sup> In Fiscal Year 2019, PBS's portfolio included over 1,600 federally owned assets with approximately 184 million square feet of rentable space. This audit was included in our *Fiscal Year 2018 Audit Plan*. Our objectives were to determine whether PBS: (1) accurately reports deferred maintenance estimates for its building inventory in GSA's fiscal year Agency Financial Report and (2) has information systems in place to accurately plan and track the remediation of immediate building liabilities from year to year.

In its *2019 Agency Financial Report*, GSA reported a total estimated cost of deferred maintenance and repairs (deferred maintenance) for its building inventory of approximately \$1.93 billion. This was a 32 percent increase over its Fiscal Year 2018 backlog and a 57 percent increase over the previous 5 fiscal years' backlog. Deferred maintenance is defined as maintenance and repairs that were not performed when scheduled or delayed for a future period. These are activities categorized as work needing to be performed immediately to restore or maintain the building inventory in an acceptable condition.

We found that the accuracy of GSA's reported deferred maintenance cost estimate is affected by data shortcomings and errors, including over \$280 million in duplicative costs applied to the reported deferred maintenance for Fiscal Year 2019. We also found that while PBS has a national maintenance strategy associated with its Capital Program, this strategy has not been effective to reduce its deferred maintenance backlog. As a result, PBS is vulnerable to rising maintenance and repair costs and an increased risk of building system failure, accelerated deterioration of systems and structures, and potential life safety hazards.

Based on our audit findings, we made four recommendations to the PBS Commissioner. We recommended that the PBS Commissioner develop a comprehensive plan to ensure that PBS: (1) establishes a national policy and training program that provides personnel with guidance on how to conduct building surveys, accurately enter results into the Building Assessment Tool system, and account for interim remediation of building liabilities; (2) updates the Building Assessment Tool pricing module to generate estimates more closely aligned to external and regional cost estimates; (3) corrects the duplicate entries identified in the report and reviews its deferred maintenance reports to identify and correct any additional errors; and (4) improves its national maintenance strategy to place greater emphasis on its growing list of immediate liabilities by prioritizing projects to reduce them.

---

<sup>1</sup> GSA 2019 Agency Financial Report, signed November 13, 2019.

The PBS Commissioner agreed with the first three report recommendations and partially agreed with the fourth.

### **OPPORTUNITIES FOR PBS TO IMPROVE MANAGEMENT AND OVERSIGHT OF ITS FEDERAL AGGREGATED SOLAR PROCUREMENT PILOT CONTRACTS**

**Report Number A201020/P/9/R21008, dated September 30, 2021**

PBS's Federal Aggregated Solar Procurement Pilot (FASPP) is the first federal aggregated contract of its kind. Its goal is to install photovoltaic panels at federal buildings in GSA's Pacific Rim Region to generate electricity that GSA will purchase at lower rates than those charged by the local utility companies. This audit was included in our *Fiscal Year 2020 Audit Plan*. Our audit objective was to determine whether PBS's selection and oversight of FASPP sites maximize energy savings and comply with applicable laws, regulations, policies, safety standards, and contract requirements.

According to our calculations, between Fiscal Years 2018 and 2020, PBS's FASPP saved the government over \$330,000 in energy costs. However, we found that PBS could improve its site selection, administration, and oversight of the FASPP contracts. PBS's selection of two FASPP sites resulted in PBS paying more for electricity or not achieving expected energy savings. Furthermore, PBS's inadequate oversight of the FASPP contracts resulted in safety hazards, substandard energy production, violations of Buy American Act and Trade Agreements Act requirements, and lost opportunities to maximize energy savings.

We made 12 recommendations to the PBS Regional Commissioner for the Pacific Rim Region. These recommendations included improving site selection for future renewable energy projects to achieve expected savings, identifying methods to reduce added costs for energy at one site, and identifying a method to terminate a contract early at another site. In addition, we recommended that PBS enforce FASPP contract requirements for contractors to comply with safety standards, Buy American Act, Trade Agreements Act, and maintenance requirements. We also recommended that PBS maximize its savings from FASPP by evaluating the use of a solar battery storage systems and solar renewable energy certificates.

The PBS Regional Commissioner agreed with our report recommendations.

## **AUDIT OF THE MIGRATION OF LEGACY GSA HUMAN RESOURCE SYSTEMS TO HR LINKS**

**Report Number A190056/C/T/F21004, dated July 16, 2021**

GSA provides human resource (HR) and payroll services for GSA and 32 other federal agencies, supporting approximately 21,000 federal employees. In November 2016, GSA awarded a 10-year, \$149 million contract to International Business Machines for HR Links, a commercial-off-the-shelf product used for human capital management to replace GSA's legacy systems with similar functionality. The transition to HR Links occurred from November 2016 to June 2018. This audit was included in our *Fiscal Year 2019 Audit Plan* due to the issues end users experienced when HR Links launched. Our objective was to determine whether GSA appropriately managed risks associated with migrating its legacy HR systems to HR Links.

We found that GSA did not sufficiently manage risks associated with migrating its legacy HR systems to HR Links. Specifically, we found that GSA did not adequately test HR Links or fully address problems identified during system testing. As a result, HR Links had a series of significant system weaknesses upon deployment. These weaknesses caused the exposure of sensitive information (including personally identifiable information), incomplete and inaccurate employee information, and functional deficiencies. Although GSA has addressed these deficiencies, it should apply lessons learned from the HR Links deployment to ensure that appropriate testing is conducted to identify and mitigate risks for future system deployments.

Based on our audit finding, we recommended that GSA's Chief Human Capital Officer and Chief Information Officer, prior to the deployment of future systems, design and implement appropriate system testing to ensure that required system security controls, including those governing user roles and data permissions, are operating effectively; data is complete and accurately migrated from legacy systems, if applicable; and system testing verifies that all functional requirements are met.

The GSA Chief Human Capital Officer and Chief Information Officer agreed with our report recommendation.

## **PBS'S NORTHEAST AND CARIBBEAN REGION IS NOT EFFECTIVELY OVERSEEING ITS OPERATIONS AND MAINTENANCE CONTRACTS**

**Report Number A201046/P/2/R21007, dated September 24, 2021**

In Fiscal Year 2020, we received an anonymous hotline complaint alleging that the PBS's Northeast and Caribbean Region (Region 2) was not effectively managing its O&M contracts. The complaint specifically identified mismanagement of O&M contracts in northern New Jersey and Manhattan, New York.

The hotline complaint alleged that preventative maintenance records were not accurate and that the contracting officers and CORs were not performing quality control inspections or following preventative maintenance guidance. Our audit objective was to determine whether PBS Region 2 is administering its O&M contracts in accordance with contract specifications and applicable policies and regulations.

We found that PBS Region 2 is not effectively overseeing contractor performance on its O&M contracts. As a result, PBS Region 2 does not have assurance that O&M contractors are providing the services required under their contracts. Inspections are required to oversee O&M contractors and ensure they are performing their responsibilities under their contracts. However, we found that PBS Region 2 contracting personnel either did not inspect the contractors' work or did not perform the inspections properly. We also found that PBS Region 2 preventative maintenance records did not always include required information necessary to oversee the O&M contractors' performance.

Based on our audit findings, we made five recommendations to the PBS Regional Commissioner to take appropriate action to ensure that: (1) PBS contracting officials are performing and documenting contract oversight activities, such as monthly Quality Assurance Surveillance Plan inspections that the contractor signs; (2) PBS contracting officials thoroughly understand the services and documentation required in the O&M contracts, and their roles and responsibilities in contract administration and monitoring; (3) O&M contractors submit the contractually required preventative maintenance schedules and logs; (4) PBS contracting officials hold O&M contractors accountable for insufficient services and remediate identified deficiencies by taking appropriate measures, including, but not limited to, withholding payment when the contractor does not provide required services; and (5) COR coverage is sufficient to administer all regional O&M contracts properly.

The PBS Commissioner and PBS Regional Commissioner agreed with our report recommendations.

### **AUDIT OF PBS BASIC REPAIRS AND ALTERATIONS PROJECT: UNITED STATES COURT OF INTERNATIONAL TRADE BUILDING**

**Report Number A200976/P/2/R21004, dated June 17, 2021**

This audit was included in the *Fiscal Year 2020 Audit Plan*. Our audit objective was to determine whether PBS NCR planned, awarded, administered, and closed-out the contract for upgrading three passenger elevators at the U.S. Court of International Trade building in New York, New York, in accordance with the Federal Acquisition Regulation (FAR), General Services Administration Acquisition Manual (GSAM), and other applicable policies.

We found that PBS Region 2 did not award and administer the contract to upgrade three passenger elevators at the U.S. Court of International Trade building in accordance with applicable regulations and GSA policies. Specifically, PBS Region 2 did not obtain a Conflict of Interest Acknowledgment and Nondisclosure Agreement form from each member of the Source Selection Evaluation Board as required. We also found that PBS Region 2 allowed a project manager to act as a COR for over a year without the proper written delegation of authority. Additionally, PBS Region 2 did not maintain necessary contract file documentation and inaccurately reported contract data in the Federal Procurement Data System-Next Generation (FPDS-NG).

Based on our audit findings, we made two recommendations to the PBS Regional Commissioner to take appropriate corrective action to ensure that: (1) the personnel responsible for the award and administration of the contract to upgrade three passenger elevators at the U.S. Court of International Trade building in New York, New York, understand their responsibilities with respect to: (a) obtaining a signed, original Conflict of Interest Acknowledgment and Nondisclosure Agreement form from each member of the Source Selection Evaluation Board before starting the evaluation of technical proposals, (b) properly designating CORs prior to being assigned contract oversight responsibilities, (c) maintaining complete and accurate contract documentation in accordance with applicable FAR, GSAM, and GSA policies, and (d) entering accurate and complete contract information in FPDS-NG; and (2) the inaccurate base award contract period of performance start date is corrected to June 1, 2018, in FPDS-NG.

The PBS Regional Commissioner agreed with our report recommendations.

## **AUDIT OF PBS BASIC REPAIRS AND ALTERATIONS PROJECT: FEDERAL BUREAU OF PRISONS HEADQUARTERS**

**Report Number A200976/P/R/R21002, dated April 21, 2021**

This audit was included in the *Fiscal Year 2020 Audit Plan*. Our audit objective was to determine whether PBS NCR planned, awarded, administered, and closed out the contract for replacing three cooling towers at the Federal Bureau of Prisons (BOP) headquarters building in accordance with the FAR, GSAM, and other applicable policies.

We found that PBS NCR did not award and administer the contract to replace the cooling towers at the BOP headquarters building according to FAR and GSA policies. Additionally, we found that PBS NCR did not define a viable period of performance for the contract as required. PBS NCR also did not maintain contract documentation as required, did not follow an internal staff transition policy, and inaccurately reported contract data in FPDS-NG.

Based on our audit findings, we made two recommendations to the PBS Regional Commissioner. We recommended that the PBS Regional Commissioner ensure that: (1) the personnel responsible for the award and administration of the contract to replace the cooling towers at the BOP headquarters building understand their responsibilities with respect to: (a) adhering to applicable regulations and GSA policies, (b) complying with the GSAM and internal policies governing the transition from one contracting officer to the next, (c) maintaining complete and accurate contract documentation in accordance with the FAR and Agency policies, and (d) entering accurate and complete contract information in FPDS-NG; and (2) the inaccurate entries in FPDS-NG identified in the audit report are corrected.

The PBS Regional Commissioner agreed with our report recommendations.

## AUDIT OF PBS LEASE ADMINISTRATION

### Report Number A201011/P/R/R21006, dated September 21, 2021

We included this audit in our *Fiscal Year 2020 Audit Plan* based on prior audits issued by our office that identified deficiencies in PBS's lease administration practices. PBS administers over 8,000 leases for more than 100 federal customer agencies. PBS lease administration managers (LAMs) have the day-to-day responsibility of managing the leases and ensuring lessors comply with lease terms. PBS developed a *Lease Management Desk Guide* to establish national consistency within PBS's leasing program and to establish minimum LAM requirements. It requires the LAM to conduct a minimum of one annual inspection of each assigned leased space to review for lease compliance. The *Lease Management Desk Guide* also provides guidance in other lease administration areas, such as post-occupancy alterations and tenant satisfaction surveys.

Our objective was to determine if PBS administers lease contracts in accordance with GSA policies and regulations, oversees the completion of required annual inspections, and ensures that lessors comply with lease terms and conditions.

We found that PBS did not consistently administer its leases in accordance with applicable requirements. In particular, we found instances in which PBS did not properly document and resolve deficiencies identified in annual lease inspections, determine price reasonableness for alterations projects, or create responsive tenant satisfaction survey action plans. In some cases, PBS also failed to designate the LAM as the COR.

Based on our audit findings, we made three recommendations to the PBS Commissioner to: (1) provide effective oversight over LAMs, particularly to ensure LAMs are designated as COR and provide responsive tenant satisfaction action plans; (2) review, update, and provide adequate LAM training; and (3) enhance efforts to ensure an effective and efficient LAM workforce.

The PBS Commissioner agreed with our report recommendations.

## **GSA OFFICE OF INSPECTOR GENERAL'S FISCAL YEAR 2020 RISK ASSESSMENT OF GSA'S CHARGE CARD PROGRAM**

### **Audit Memorandum A210029, dated September 15, 2021**

We conducted a risk assessment of GSA's charge card program to identify and analyze risks of illegal, improper, or erroneous purchases related to GSA's purchase and travel cards. We based our risk assessment on limited purchase and travel card testing.

Through our limited purchase card testing, we found that the GSA Office of Administrative Services should continue to improve controls over purchase cardholders uploading supporting documentation into GSA's purchase card system of record. Based on the findings from our testing, and the centrally billed nature of purchase card accounts, we assessed the risk for GSA's purchase card program as moderate.

Through our limited travel card testing, we found that there is an opportunity to improve internal controls over travel cardholders. While our testing identified internal control weaknesses with the travel card program, the risk to GSA is inherently less because the travel card accounts are individually billed and the cardholder is responsible for paying for the charges against the travel card rather than GSA. Therefore, we assessed the risk for GSA's travel card program as low.

## **GSA COMPLIED WITH THE IMPROPER PAYMENTS ACTS IN FISCAL YEAR 2020**

### **Report Number A210015/B/5/F21003, dated May 11, 2021**

We performed this audit as required by the Improper Payments Information Act of 2002, the Improper Payments Elimination and Recovery Act of 2010, the Improper Payments Elimination and Recovery Improvement Act of 2012, and the Payment Integrity Information Act of 2019—collectively referred to as the Improper Payments Acts. These laws aim to eliminate and recover payments improperly made by federal agencies. The Improper Payments Acts require federal agencies to review their programs and identify those that were susceptible to significant improper payments. The objective of our audit was to determine if GSA had complied with the Improper Payments Acts in Fiscal Year 2020.

We determined that, in Fiscal Year 2020, GSA complied with the Improper Payments Acts. We had no reportable findings or recommendations.

The GSA Chief Financial Officer concurred with our audit conclusions.

# SUMMARY OF CONTRACT AUDIT REPORTS

The Office of Audits issues contract audit reports to provide assistance to contracting officials in awarding and administering GSA contracts. The two primary types of contract audits include:

- Preaward audits provide GSA contracting officials with information to use when negotiating fair and reasonable GSA contract prices.
- Postaward audits examine GSA contractor’s adherence to contract terms and conditions.

During the period April 1, 2021, to September 30, 2021, we issued 26 contract audit reports. In these reports, we found:

- 18 contractors either overcharged GSA customers or overstated their proposed labor rates.<sup>2</sup>
- 14 contractors did not submit accurate, current, and complete information.
- 8 contractors either did not comply with price reduction provisions or did not have effective price reduction provisions.
- 6 contractors assigned employees who were unqualified for their billable positions to work on GSA schedule task orders.
- 6 contractors did not follow other terms and conditions of their contracts.
- 5 contractors did not adequately accumulate and report schedule sales for Industrial Funding Fee payment purposes and/or did not correctly calculate and submit their Industrial Funding Fee payments.

We also recommended over \$285.3 million in cost savings. This includes funds that could be put to better use, which is the amount the government could save if our audit findings are implemented. It also includes questioned costs, which is money that should not have been spent such as overbillings and unreported price reductions.

## April 1, 2021 – September 30, 2021

CONTRACT AUDIT REPORTS	
Recommendations that funds be put to better use	\$283,154,958
Questioned Costs	\$2,206,023

<sup>2</sup> This includes claims that have been submitted but not yet paid.

# FAR DISCLOSURE PROGRAM

The Federal Acquisition Regulation requires government contractors to disclose credible evidence of violations of federal criminal law under Title 18 of the United States Code (18 U.S.C.) and the False Claims Act to agencies' OIGs. To facilitate implementation of this requirement, we developed internal procedures to process, evaluate, and act on these disclosures and created a website for contractor self-reporting.

## FAR RULE FOR CONTRACTOR DISCLOSURE

Federal Acquisition Regulation 52.203-13(b) implements the Close the Contractor Fraud Loophole Act, Public Law 110–252, Title VI, and Chapter 1. Under the rule, a contractor must disclose, to the relevant agency's OIG, certain violations of federal criminal law (within 18 U.S.C.), or a violation of the civil False Claims Act, connected to the award, performance, or closeout of a government contract performed by the government contractor or subcontractor. The rule provides for suspension or debarment of a contractor when a principal knowingly fails to disclose, in writing, such violations in a timely manner.

## DISCLOSURES FOR THIS REPORTING PERIOD

As disclosures are made, our Offices of Audits, Investigations, and Counsel jointly examine each acknowledgment and make a determination as to what actions, if any, are warranted. During this reporting period, we received three new disclosures. The matters disclosed include inflated employee timesheets, unreported Industrial Funding Fee payments, and potential Procurement Integrity Act violations. We concluded our evaluation of seven disclosures that resulted in over \$17.5 million in settlements and recoveries to the government. We also assisted on 14 disclosures referred by other agencies because of the potential impact on GSA operations and continued to evaluate 19 pending disclosures.

# STATISTICAL SUMMARY OF OIG AUDITS

April 1, 2021 – September 30, 2021

OFFICE OF AUDITS	
Total financial recommendations	\$285,489,107
These include:	
Recommendations that funds be put to better use	\$283,154,958
Questioned costs	\$2,334,149
Audit reports issued	39
Audit memoranda provided to GSA	1
GSA Management decisions agreeing with audit recommendations	\$59,900,290

## Audit Reports Issued

The OIG issued 39 audit reports. These reports contained financial recommendations totaling over \$285.4 million, including more than \$283.1 million in recommendations that funds be put to better use and over \$2.3 million in questioned costs. Due to GSA's mission of negotiating contracts for government-wide supplies and services, most of the savings from recommendations that funds be put to better use would be applicable to other federal agencies.

## Management Decisions on OIG Audit Reports

Table 1 summarizes the status of audits requiring management decisions during this period, as well as the status of those audits as of September 30, 2021.

There were no reports more than 6-months old awaiting management decision as of September 30, 2021. Table 1 does not include three reports excluded from the management decision process.

**Table 1. GSA Management Decisions on OIG Reports**

	NUMBER OF REPORTS	REPORTS WITH FINANCIAL RECOMMENDATIONS*	TOTAL FINANCIAL RECOMMENDATIONS
For which no management decision had been made as of 04/01/2021			
Less than 6 months old	12	5	\$4,777,330
Six or more months old	0	0	\$0
Reports issued this period	38	24	\$285,489,107
<b>TOTAL</b>	<b>50</b>	<b>29</b>	<b>\$290,266,437</b>
For which a management decision was made during the reporting period			
Issued prior periods	12	5	\$4,777,330
Issued current period	19	13	\$56,406,572
<b>TOTAL</b>	<b>31</b>	<b>18</b>	<b>\$61,183,902</b>
For which no management decision had been made as of 09/30/2021			
Less than 6 months old	19	11	\$229,082,535
Six or more months	0	0	\$0
<b>TOTAL</b>	<b>19</b>	<b>11</b>	<b>\$229,082,535</b>

\* These totals include audit reports issued with both recommendations that funds be put to better use and questioned costs.

## GSA Management Decisions on OIG Reports with Financial Recommendations

Tables 2 and 3 present the reports identified in Table 1 as containing financial recommendations by category (funds be put to better use or questioned costs).

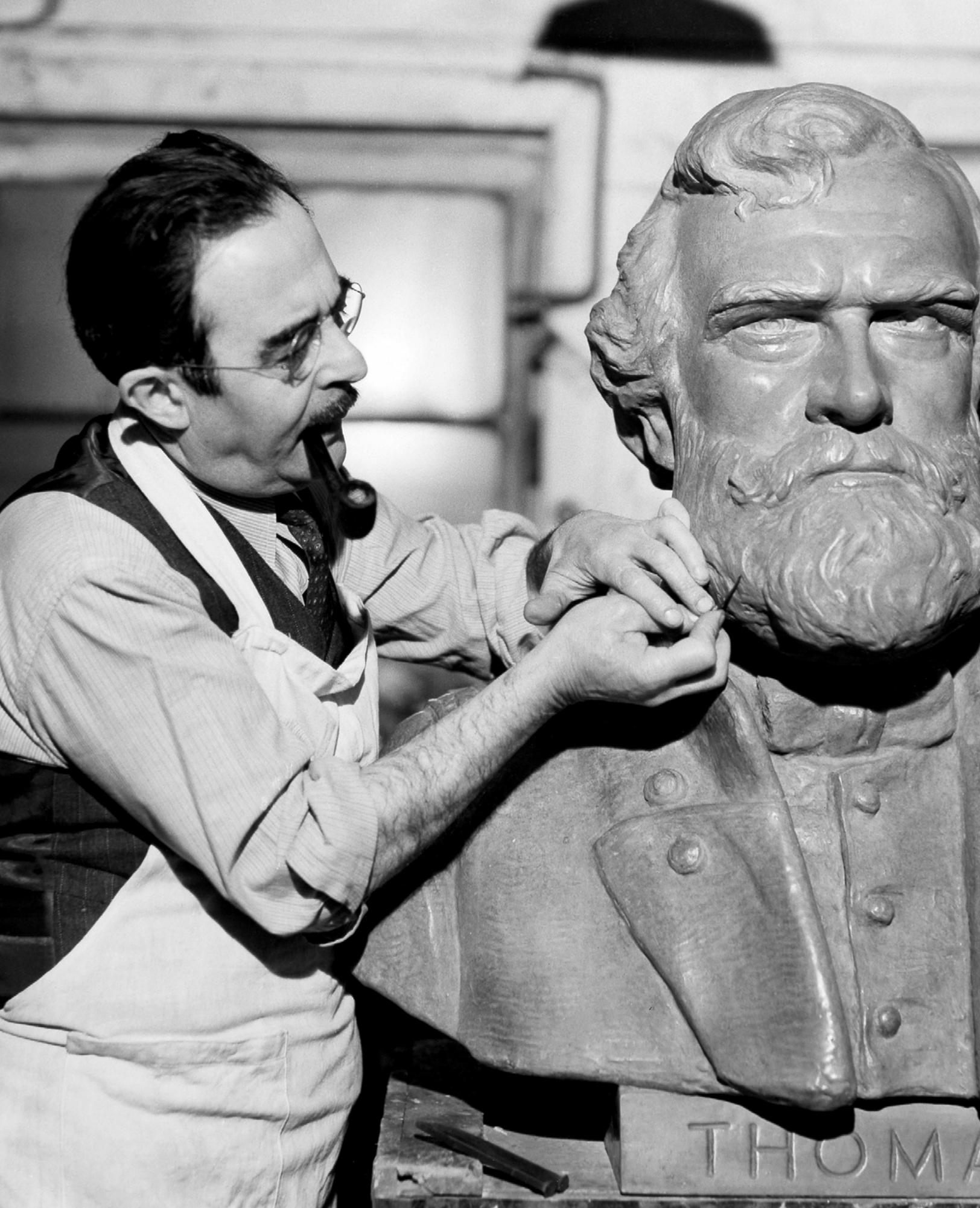
**Table 2. GSA Management Decisions on OIG Reports with Recommendations that Funds Be Put to Better Use**

	NUMBER OF REPORTS	FUNDS BE PUT TO BETTER USE
For which no management decision had been made as of 04/01/2021		
Less than 6 months old	2	\$1,158,648
Six or more months	0	\$0
Reports issued this period	21	\$283,154,958
<b>TOTAL</b>	<b>23</b>	<b>\$284,313,606</b>
For which a management decision was made during the reporting period		
Recommendations agreed to by management		\$56,319,691
Recommendations not agreed to by management		\$0
<b>TOTAL</b>	<b>14</b>	<b>\$56,319,691</b>
For which no management decision had been made as of 09/30/2021		
Less than 6 months old	9	\$227,993,915
Six or more months old	0	\$0
<b>TOTAL</b>	<b>9</b>	<b>\$227,993,915</b>

## GSA Management Decisions on OIG Reports with Questioned Costs

Table 3. GSA Management Decisions on OIG Audit Reports with Questioned Costs

	NUMBER OF REPORTS	QUESTIONED COSTS
For which no management decision had been made as of 04/01/2021		
Less than 6 months old	4	\$3,618,682
Six or more months old	0	\$0
Reports issued this period	12	\$2,334,149
<b>TOTAL</b>	<b>16</b>	<b>\$5,952,831</b>
For which a management decision was made during the reporting period		
Disallowed costs		\$3,580,599
Costs not disallowed		\$1,283,612
<b>TOTAL</b>	<b>11</b>	<b>\$4,864,211</b>
For which no management decision had been made as of 09/30/2021		
Less than 6 months old	5	\$1,088,620
Six or more months old	0	\$0
<b>TOTAL</b>	<b>5</b>	<b>\$1,088,620</b>



Since 2001, GSA OIG has worked with the agency's Fine Arts Program to recover for the federal government more than 700 pieces of Works Progress Administration (WPA) artwork with a comparative value of more than \$8 million.

# SIGNIFICANT INSPECTIONS

# SIGNIFICANT INSPECTIONS

The Office of Inspections conducts systematic and independent assessments of the Agency’s operations, programs, and policies, and makes recommendations for improvement. Reviews involve on-site inspections, analyses, and evaluations to provide information that is timely, credible, and useful for Agency managers, policymakers, and others. Inspections may include an assessment of efficiency, effectiveness, impact, and sustainability of any Agency operation, program, or policy. Inspections are performed in accordance with the Council of Inspectors General for Integrity and Efficiency’s *Quality Standards for Inspection and Evaluation*.

During this reporting period, the office issued one evaluation report and one inspection report with four recommendations affecting GSA facility security and employee performance reviews.

## EVALUATION OF GSA’S USE OF AN AD HOC APPRAISAL PROCESS FOR AN EXECUTIVE

**Report Number JE21-002, dated September 14, 2021**

The Office of Inspections conducted a follow-up evaluation on the previous report issued on June 9, 2020, *GSA’s Performance and Appraisal System for Senior Executives Remains Deficient*. This evaluation examined the circumstances that resulted in the third-party disciplinary reports used to determine a Senior Executive’s final summary rating for fiscal year 2017. We found that GSA violated agency policy and failed to comply with basic due process principles when they:

- Bypassed the Deputy Administrator’s direction to obtain an objective review to assist the Executive with recommendations to improve her office, and unilaterally pursued a misconduct review without his knowledge or consent;
- Failed to notify the Executive that she was the subject of a misconduct review;
- Withheld relevant information, including potentially exculpatory evidence, from the third-party reviewer, the SES Performance Review Board (PRB), and the Administrator;
- Provided flawed reports that formed the third-party reviewer’s analysis;
- Failed to notify the Executive of all the evidence presented to the third-party reviewer;
- Failed to interview or permit the third party to interview the Executive or otherwise provide her with a meaningful opportunity to provide a response, and;
- Failed to maintain the objectivity of the third-party reviewer.

To address this finding we recommended:

1. The Administrator should take appropriate action to remedy the harm caused the Executive by a tainted performance review process that resulted in an unsatisfactory rating and in her removal from the Associate Administrator position, as well as the loss of any opportunity for a FY 2017 performance period pay increase or bonus.
2. The GSA General Counsel and Chief Human Capital Officer should review current processes and procedures to ensure sufficient oversight of employee misconduct and disciplinary reviews, including timely referral to the OIG.

GSA responded that they would consider the recommendations in the report and pursue resolutions as appropriate.

## **UNRESTRICTED SUMMARY: FACILITY INSPECTION OF A HIGH-RISK GSA BUILDING**

### **Report Number JE21-003, dated September 30, 2021**

The Office of Inspections conducted an inspection of a high-risk GSA building. The objective of the inspection was to determine whether GSA had assessed, prioritized, and implemented facility security controls for the building.

During the course of the inspection, we conducted two site visits of the building, one announced and one unannounced. Our inspection revealed pervasive deficiencies in site security and security operations and administration. These deficiencies included significant problems with the closed circuit camera surveillance and intrusion detection systems, lax enforcement of physical security requirements and parking restrictions, unsecured restricted areas, a contract employee living in the building unbeknownst to the security guards on duty, prohibited substances on site, suspected on-duty marijuana use by a contract employee, inaccessible hazardous waste cleanup materials, and a faulty occupant emergency plan.

The pervasive deficiencies found in our inspection compromise the security of the building, as well as the safety and security of its occupants, and expose the building, employees, and visitors to unnecessary risks. On August 16, 2021, the OIG notified the GSA Deputy Administrator and the Chief of Staff of three issues identified during our second site visit, to enable the agency to take appropriate management action pending completion of fieldwork and issuance of our report. The building director responded immediately and notified the inspection team on August 18, 2021, that the agency had taken corrective actions to resolve those three issues. Our report, issued on September 30, 2021, makes two recommendations for additional corrective action. GSA agreed with our report findings and recommendations.



Photo: John Minor Wisdom U.S. Court of Appeals Building, New Orleans, LA

# SIGNIFICANT INVESTIGATIONS



Photo: Fresco paintings surrounding doorway to room 5138, Department of Justice, Washington, D.C.

# SIGNIFICANT INVESTIGATIONS

The Office of Investigations conducts independent and objective investigations relating to GSA programs, operations, and personnel. The office consists of special agents with full statutory law enforcement authority to make arrests, execute search warrants, serve subpoenas, and carry concealed weapons. Special agents conduct investigations that may be criminal, civil, or administrative in nature and often involve complex fraud schemes. Investigations can also involve theft, false statements, extortion, embezzlement, bribery, anti-trust violations, credit card fraud, diversion of excess government property, and digital crimes. During this reporting period, the office opened 99 investigative cases, closed 59 investigative cases, referred 81 subjects for criminal prosecution, and helped obtain 19 convictions. Civil, criminal, and other monetary recoveries resulting from our investigations totaled over \$31 million.

## CRIMINAL INVESTIGATIONS

### **TWO SENTENCED AND ANOTHER PLEADED GUILTY FOR INVOLVEMENT IN BRIBERY AND KICKBACK SCHEME**

A GSA OIG investigation found that Richard Vaughan, a former Department of Veterans Affairs (VA) contracting official; Dale Johnson, owner of Adaleco General, LLC (Adaleco); and Donald Garner, owner of Veteran Ability, LLC, participated in a scheme to defraud the federal government into issuing Service-Disabled Veteran-Owned Small Business (SDVOSB) set-aside contracts and other federal payments to unqualified contractors. Garner paid at least \$29,234 in bribes to Vaughan in exchange for preferential treatment in awarding \$1.5 million in VA contracts and \$194,000 in government purchase card payments. Garner also paid Johnson \$54,300 in kickbacks for allowing Veteran Ability, LLC to use Adaleco's SDVOSB status to be paid for work on a VA set-aside contract that was awarded to Adaleco. Johnson falsely certified to the federal government that Adaleco would perform all the work on the contract. On May 5, 2021, Garner pleaded guilty to a bribery charge, and is currently awaiting sentencing. On May 12, 2021, having previously pleaded guilty to a conspiracy charge, Johnson was sentenced to five years' probation. On May 18, 2021, having previously pleaded guilty to accepting bribes, Vaughan was sentenced to 12 months' incarceration and three years' supervised release, and ordered to pay \$347,000 in restitution. GSA OIG investigated this case with the FBI, VA OIG, and SBA OIG.

## **TWO EXECUTIVES SENTENCED IN SDVOSB FRAUD SCHEME**

A GSA OIG investigation found that Eddie Lee, Chief Executive Officer, and Shaun Froelich, Chief Operating Officer, E-Corp, Inc., schemed to assume control of Raveco Enterprise, Inc., and use its legitimate SDVOSB status as a front for the formation of a joint venture to fraudulently obtain set-aside SDVOSB contracts. Lee and Froelich falsely certified in the System for Award Management (SAM), and to the VA, that the veteran and his business earned the majority of the profits, and made all decisions involving the joint venture. It was determined that Lee and Froelich excluded the veteran from all major business decisions, and provided false documentation to the Small Business Administration (SBA) related to the formation of the joint venture. As a result of the scheme, E-Corp received over \$15 million in federal government contracts that it was not eligible to receive. Lee and Froelich previously pleaded guilty to major fraud for their participation in the scheme. On April 29, 2021, Lee was sentenced to two years' probation, and ordered to pay \$52,500 in restitution. On September 27, 2021, Froelich was sentenced to one year probation, and ordered to pay \$105,000 in restitution. GSA OIG investigated this case with VA OIG, Army CID (MPFU), AFOSI, SBA OIG, and the FBI.

## **CONTRACTOR SENTENCED FOR ROLE IN A GOVERNMENT PURCHASE CARD FRAUD SCHEME**

A GSA OIG investigation revealed Department of Energy (DOE) Western Area Power Administration (WAPA) employees conspired with WAPA contractors and acquaintances to make nearly \$1 million in illicit government purchase card (GPC) purchases. The WAPA employees and contractors intentionally deleted warehouse supplies from the electronic inventory system and purported to replenish the items by making fictitious GPC purchases from companies created by the acquaintances. The investigation found the items were never removed from the warehouse shelves, and the supplies were never actually purchased. Jacob Newman and John Atwood each pleaded guilty to theft of government property for their role in the GPC fraud scheme. On August 6, 2021, Atwood was sentenced to three years' probation and ordered to pay \$50,943 in restitution. Sentencing for Newman is pending. Three other co-conspirators were previously convicted and sentenced for their roles in the scheme. GSA OIG investigated this case with DOE OIG and the FBI.

### **FORMER U.S. ARMY SUPPLY OFFICER AND HIS WIFE'S COMPANY PLEADED GUILTY IN A FICTITIOUS GOVERNMENT PURCHASE ORDER SCHEME**

A GSA OIG investigation determined that John Meier, former U.S. Army Supply Officer, assisted in steering six government purchase card (GPC) orders, in the amount of \$24,995 each, to his wife's company, White Board Solutions, LLC (WBS). His wife registered the company, under her maiden name. WBS promised to provide five soldiers, who already had their commercial driver's license (CDL), a three-week training session that included CDL workshops and practical training exercises. The cost per soldier was \$4,999 for a total cost of \$24,995 per purchase agreement. Prior to each payment, Meier or one of his subordinates signed the required GPC purchase request form. In total, WBS received approximately \$149,970 and never provided any of the training listed in the contractual agreement. On June 30, 2021, a criminal information was filed charging Meier with conflict of interest and WBS with theft of government property. On September 8, 2021, Meier pleaded guilty to conflict of interest and WBS pleaded guilty to theft of government property. GSA OIG investigated this case with DCIS and Army CID.

### **BUSINESS OWNER PLEADED GUILTY TO MAIL FRAUD AND VIOLATING THE CONDITIONS OF SUPERVISED RELEASE WHILE SERVING FEDERAL SENTENCE**

A GSA OIG investigation revealed that while serving a 60-month federal prison sentence for a mail fraud scheme involving federal contracts, Keith Fisher registered Atlantic Safety Corp. (Atlantic) in SAM to bid on federal contracts through Unison Marketplace, a reverse auction online marketplace operated under a GSA contract. Upon submitting a winning bid, Atlantic was awarded a contract to provide goods to a government agency. Fisher orchestrated his fraud by using an alias to subcontract with a third-party vendor to provide goods directly to the government agency. Fisher induced the third-party vendor to ship the goods to the government agency on credit by falsely promising to pay the vendor for the goods. Fisher also made fraudulent representations to other potential subcontractor vendors about the creditworthiness and financial status of Atlantic. Pursuant to his previous conviction, Fisher was prohibited from bidding on federal contracts, and he was not allowed to use or access SAM. On May 11, 2021, Fisher pleaded guilty to mail fraud and violating the conditions of his supervised release. Fisher is currently awaiting sentencing. GSA OIG investigated this case with NCIS and DOS OIG.

### **VANDAL SENTENCED FOR DESTRUCTION OF GOVERNMENT PROPERTY AND LYING DURING THE PURCHASE OF A FIREARM**

A GSA OIG investigation found that Joshua Keller vandalized two government owned vehicles leased from GSA to the VA in Lebanon, Pennsylvania. At the time, Keller was also being investigated by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) for a firearms violation. On May 4, 2021, Keller was sentenced to one year and one day of imprisonment, followed by a two year term of supervised release for the destruction of government property and lying during the purchase of a firearm. Keller was also ordered to pay \$39,393 in restitution for the damages he caused to the vehicles. GSA OIG investigated this case with ATF.

### **FORMER PROJECT MANAGER SENTENCED TO 30 MONTHS' INCARCERATION FOR INVOLVEMENT IN KICKBACK SCHEME**

As previously reported, Alutiiq International Solutions, LLC (Alutiiq), signed a non-prosecution agreement with the Department of Justice and agreed to pay GSA over \$1.25 million to resolve allegations that the company's former Project Manager, Elmer "Butch" Baker, engaged in a kickback and fraud scheme on a U.S. government construction contract administered by GSA. During the investigation, it was determined that in or around 2015, Baker began demanding kickbacks from Alutiiq's subcontractor, Capital Contracting, Inc., in the form of meals, golf sessions, vacations, and other things of value that equated to approximately 10 percent of the amount of each subcontract modification that he awarded to them. Additionally, after receiving subcontract estimates from Capital Contracting, Baker illegally inflated the estimates prior to submitting them to GSA. Over the course of several subcontract modifications, he defrauded GSA out of approximately \$1.25 million between 2015 and 2018. On September 29, 2021, Baker was sentenced to 30 months' incarceration, followed by 36 months' supervised release, and was ordered to forfeit \$309,000 for his involvement in the fraudulent scheme. GSA OIG investigated this case with DOS OIG and the FBI.

### **GSA CONTRACTOR PLEADS GUILTY AND WAS SENTENCED FOR FALSELY SELLING CHINESE GOODS AS AMERICAN-MADE**

A GSA OIG investigation determined that Daren Arakelian, owner of Great 4 Image (G4I), engaged in a scheme through their GSA contract to import Chinese goods into the United States, marketing and selling those items to federal agencies as made in the USA, in violation of the Buy American Act and the Trade Agreements Act (TAA). As part of the scheme, Arakelian made verbal and written statements to federal officials falsely claiming to have domestically manufactured the goods that he knowingly imported from China. Arakelian pleaded guilty to his role in the scheme and was sentenced on September 23, 2021, to three months' incarceration and two years' supervised release, and was ordered to pay a \$100 special assessment fee. He previously agreed to pay \$702,000 to resolve related civil allegations under the False Claims Act and TAA violations. GSA OIG investigated this case with Army CID, DCIS, DHS OIG and Treasury OIG.

### **GUILTY PLEA BY ANOTHER EXECUTIVE OF A COMPANY THAT MASQUERADED AS A WOMAN-OWNED BUSINESS WHILE SELLING CHINESE GEAR WITH CYBER VULNERABILITIES**

A GSA OIG investigation revealed officers and employees of Aventura Technologies, Inc., sold Chinese-made equipment, with known cybersecurity vulnerabilities, to government and private customers while falsely representing that the equipment was made in the United States and concealing that the products were manufactured in China. In addition, the officers and employees falsely certified in SAM that the company was a Woman-Owned Small Business in order to obtain access to valuable set-aside government contracts they were otherwise ineligible to receive. Thus far, seven officers and employees of the company have been indicted for their involvement in the scheme. On July 29, 2021, Christine Lazarus, Director of Business Development, pleaded guilty to conspiracy to commit wire fraud and agreed to forfeit \$50,000. Previously, Wayne Marino, Network Specialist, pleaded guilty to conspiracy to commit wire fraud and agreed to forfeit \$40,000. Additionally, Jonathan Lasker, Director of Operations, previously pleaded guilty to conspiracy to commit wire fraud and unlawful importation, and agreed to forfeit \$100,000. GSA investigated this case with Army CID, CBP, DCIS, DOE OIG, IRS CI, NCIS, TIGTA, AFOSI, USMS, and the FBI.

### **GUILTY PLEA AND FORFEITURES IN SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS AND 8(A) FRAUD SCHEME**

A GSA OIG investigation determined that Stephon Ziegler, owner of Zieson Construction Company (Zieson), acted as a figurehead and allowed Matthew McPherson and his co-conspirators to run the business and perform almost all of its daily functions. This allowed Zieson to fraudulently obtain \$335 million in federal contracts set aside for veteran and disadvantaged businesses that it was ineligible to receive. The investigation also found that Rusty Simon, owner of Simcon Corp., whose company was eligible for Small Business Administration (SBA) 8(a) disadvantaged business set-aside contracts, received payments from Michael Dingle to allow Dingle, McPherson, and Matt Torgeson to use Simcon's name and status to fraudulently obtain \$11.3 million in such contracts. On September 13, 2021, Dingle pleaded guilty to conspiracy to commit wire and major program fraud. Additionally, between January 21, 2021, and June 4, 2021, five motions for final orders of forfeiture were granted forfeiting to the government a total of over \$12.2 million from the alleged co-conspirators and their affiliated companies. Previously, on May 21, 2019, Ziegler pleaded guilty to false statements, and on June 3, 2019, McPherson pleaded guilty to conspiracy to commit wire fraud and major program fraud. On June 19, 2019, Simon pleaded guilty to making false statements to SBA. GSA OIG investigated this case with DCIS, VA OIG, SBA OIG, IRS CI, USDA OIG, USSS, DOL OIG, Army CID, AFOSI, and NCIS.

### **COMPANY OWNER SENTENCED IN COUNTERFEIT MILITARY PRODUCTS SCHEME**

A GSA OIG investigation found that from 2013 through 2018, Ramin Kohanbash, owner of California Surplus, Inc., FR-HQ LLC, and Gan Eden LLC, conspired with Terry Roe, a manager of a company in Minot, North Dakota, and Bernard Klein, owner of the Almont Group, Brooklyn, New York, to manufacture counterfeit military uniforms and equipment in China and Pakistan. The uniforms and equipment were sold to the DoD through the GSA Advantage online ordering system in violation of both the Berry Amendment and Trade Agreements Act. Kohanbash previously pleaded guilty to conspiracy to commit wire fraud and agreed to forfeit \$20 million in assets that were the proceeds of the fraud scheme. In addition, Kohanbash agreed to pay \$694,398 to settle a claim under the False Claims Act. Kohanbash and his businesses were indefinitely suspended from federal procurements. On August 26, 2020, Klein was arrested and pleaded guilty to an information charging him with conspiracy to commit mail fraud. In tandem, Klein agreed to pay \$348,000 to settle a claim under the False Claims Act. On April 9, 2021, Klein was sentenced to 18 months' incarceration and 3 years' supervised release, and ordered to pay a fine of \$15,000 and restitution in an amount to be calculated at a later time. Roe is currently awaiting trial. GSA OIG investigated the case with DCIS, HSI, and AFOSI.

### **FORMER PROJECT MANAGER FOR A GSA CONTRACTOR SENTENCED FOR WIRE FRAUD**

A GSA OIG investigation determined that Benedetto Valente, a former project manager for a government contractor, engaged in a scheme to defraud GSA as well as his employer, by causing expenses to be billed that neither GSA nor his employer actually incurred. Valente inflated payroll expenses and charged items he used in his personal business to an employer-provided credit card and then created fake documents to make it appear those items were intended for GSA. Valente also created fictitious bids in order to award subcontracts for masonry repairs to a family member, and also diverted a scaffolding subcontract awarded to another contractor, to that same family member at an inflated price. On May 13, 2021, Valente pleaded guilty to wire fraud. On September 8, 2021, Valente was sentenced to two months' home detention followed by two years' probation and was ordered to pay \$39,000 in restitution, a \$4,000 fine and a \$100 special assessment fee.

### **DEBARRED CONTRACTOR PLEADED GUILTY IN SCHEME TO DEFRAUD THE GOVERNMENT**

A GSA OIG investigation found that Craig Klund, owner of Rogue Applied Sciences Corp., obtained over \$4 million from DoD contracts under false pretenses by hiding his true identity and not disclosing the fact that he was debarred from doing business with the government. Klund created various shell companies under fake identities in an attempt to hide his identity, and attempted to engage in bid rigging by using the various shell companies to bid on the same government contracts in an effort to make it look like DoD was receiving multiple bids. On September 7, 2021, Klund pleaded guilty to wire fraud, money laundering, and identity theft. Klund is currently awaiting sentencing. GSA OIG investigated this case with DCIS, AFOSI, Army CID (MPFU), IRS CI, and NCIS.

### **INDIVIDUAL PLEADED GUILTY TO CONSPIRACY TO RESTRAIN TRADE IN GOVERNMENT AUCTION BID SCHEME**

A GSA OIG investigation revealed a conspiracy amongst Allan Gaines, Marshall Holland, Igor Yurkovetsky, and others to eliminate competition and to substantially suppress the market price of computers being sold to the public through GSA Auctions. The conspirators colluded and used various schemes and methods to obtain the government-auctioned computers at suppressed prices. On April 7, 2021, Gaines pleaded guilty to conspiracy to restrain trade in violation of the Sherman Act. Holland and Yurkovetsky previously pleaded guilty to conspiracy to restrain trade in violation of the Sherman Act. All are currently awaiting sentencing.

# CIVIL SETTLEMENTS

## **THREE COMPANIES AGREE TO PAY OVER \$6.25 MILLION TO RESOLVE KICKBACK AND SMALL BUSINESS CONTRACT FRAUD ALLEGATIONS**

On July 9, 2021, Sage Consulting and its owner, Robert Pflughardt, agreed to pay the United States \$4.8 million to resolve allegations that they paid kickbacks to two small disadvantaged businesses, Wete & Company (Wete) and Index Systems Incorporated (Index), to obtain subcontracts on set-aside contracts, and made false claims to government agencies that the small disadvantaged companies would be performing at least 50 percent of the work on contracts when, in fact, Sage Consulting performed 100 percent of the work. On September 8, 2021, Wete and its owner, Dorothy Wete, agreed to pay \$450,000, and Index and its owner, Chinna Nemelidinne, agreed to pay over \$1 million to settle allegations that Wete and Index received kickbacks from Sage Consulting and Robert Pflughardt. GSA OIG investigated this case with DCIS.

## **TRONAIR, INC. AGREED TO PAY \$92,400 TO RESOLVE FALSE CLAIMS ALLEGATIONS**

On September 13, 2021, Tronair, Inc., the parent company of Eagle Industrial Truck Manufacturing, LLC., entered into a civil settlement with the United States government and agreed to pay \$92,400 to satisfy allegations that Tronair violated the False Claims Act by substituting remanufactured transaxles on aircraft tow tractors when the GSA contract called for new ones. GSA OIG investigated this case with DCIS and Army CID (MPFU).

## **SOMA TECHNOLOGY, INC. AGREES TO PAY \$102,000 TO RESOLVE FALSE CLAIM ALLEGATIONS**

On August 23, 2021, Soma Technology, Inc. and its owner Peter Leonidas, agreed to pay \$102,256 to resolve allegations under the False Claims Act that the company violated the terms and conditions of its federal contracts. Between 2012 and 2017, Soma allegedly sold refurbished medical equipment obtained from third parties to the VA and U.S. Navy through a VA Federal Supply Schedule contract when Soma was expected to provide brand new equipment from the manufacturer. GSA OIG investigated this case with VA OIG and DCIS.

# ADMINISTRATIVE MISCONDUCT

## **GSA EMPLOYEE RECEIVED 14 DAY SUSPENSION FOR ABUSE OF TRAVEL CARD**

On June 7, 2021, a GSA employee received a 14 day suspension for multiple infractions of the GSA policies regarding the use of a government travel charge card. The employee used an assigned travel card to purchase personal items while not on official government travel status, submitted travel vouchers containing unauthorized charges, and carried a balance on the account from month to month.

# INVESTIGATIONS OF SENIOR GOVERNMENT EMPLOYEES

## **SENIOR GOVERNMENT EMPLOYEE RESIGNED WHILE UNDER INVESTIGATION**

On September 8, 2021, a senior government employee (GS-15) of the Technology Transformation Services program resigned from federal service while under GSA OIG investigation for time card fraud. A GSA OIG investigation showed that, between 2015 and 2019, the official failed to submit leave requests while conducting extensive international travel, largely to perform paid consulting work. The investigation found the official falsely claimed to have worked a significant amount of hours while traveling overseas for personal or non-GSA business purposes. Prosecution is pending in this matter.

## **FORMER GSA OIG SENIOR GOVERNMENT EMPLOYEE ENTERED INTO A LETTER AGREEMENT FOR THE UNLAWFUL REMOVAL OF GOVERNMENT DOCUMENTS**

A GSA OIG investigation confirmed that a former GSA OIG Regional Inspector General for Audits (RIGA), a senior government employee in the grade of GS-15, removed official government documents upon retirement from the agency. On June 4, 2021, the former RIGA entered into a Letter Agreement whereby he agreed to return all documents and copies.

## **ALLEGATIONS AGAINST SENIOR GOVERNMENT EMPLOYEE NOT SUBSTANTIATED**

GSA OIG initiated an investigation into allegations that a senior government employee violated standards of ethical conduct for employees of the Executive Branch by using their government authority and GSA funding to pay college tuition costs for a subordinate. It was further alleged that the employee, also a realtor, financially gained from the sale of the subordinate's home. The allegations were not substantiated.

## **FLEET CARD FRAUD**

Sergio Alvarez Martinez, a former member of the Oregon Army National Guard, used a GSA Fleet credit card to purchase approximately \$3,000 in fuel for his personal benefit. On July 22, 2021, Alvarez Martinez pleaded guilty to theft in the District of Oregon, Portland Division.

On April 26, 2021, Lance Corporal Marcellus A. Martin, United States Marine Corps, Camp Pendleton, California, pleaded guilty to violations of the Uniform Code of Military Justice (UCMJ) related to his role in a scheme to steal GSA Fleet credit cards. He was sentenced to a bad conduct discharge, reduction to E-1, a fine of \$750, and four months' confinement. The estimated loss to the government was approximately \$2,600. GSA OIG investigated this case with the USMC CID.

On July 1, 2021, Yarislandi Padron-Cruz was sentenced to four years' imprisonment and five years' probation, and ordered to pay \$201,468 in restitution for her role in a fuel theft ring operating around Salt Lake City, Utah. Padron-Cruz and five co-conspirators were involved in a scheme to steal the identities of individuals, and use the stolen credentials to clone credit cards, including GSA Fleet credit cards, to make fuel purchases. Yofre Napoleon Almonte was previously sentenced to 180 days imprisonment for his role in the scheme. GSA OIG is investigating this case with the FBI and Salt Lake City Police Department.

A former Amtrak employee was removed from service on June 18, 2021, after an investigation found that he used GSA Fleet credit cards for personal use from May 2019 through June 2021. The estimated loss to the government was approximately \$7,400. GSA OIG investigated this case with Amtrak OIG.

## WPA ART INVESTIGATIONS

As a direct result of the cooperative efforts between the OIG and the GSA Office of the Chief Architect's Fine Arts Program (FAP), one piece of Works Progress Administration (WPA) artwork was reclaimed and inventoried during this reporting period. On July 15, 2021, GSA OIG special agents recovered the WPA painting "Lights Across the Lake" by Maxim Lubovsky, after learning it was being auctioned on a website. This piece of American history is not subject to public sale, but its comparative value totals \$7,000. The FAP will be conserving the piece before placing it on loan to institutions across the country for display.

Since cooperative efforts between the OIG and FAP began in 2001, a total of 784 pieces have been recovered, with a comparative value of \$8,723,350.\*

---

\* This number includes all pieces of artwork recovered through the joint publicity/recovery efforts of the OIG and FAP. Not all recoveries require direct intervention by the OIG; some are "turn-ins" as a result of publicity or internet searches that reveal the government's ownership.

# OTHER SIGNIFICANT WORK

## SUSPENSION AND DEBARMENT INITIATIVE

GSA has a responsibility to ascertain whether the people or companies it does business with are eligible to participate in federally assisted programs and procurements, and that they are not considered “excluded parties.” Excluded parties are declared ineligible to receive contracts by a federal agency. The FAR authorizes an agency to suspend or debar individuals or companies for the commission of any offense indicating a lack of business integrity or business honesty that directly affects the present responsibility of a government contractor or subcontractor. The OIG has made it a priority to process and forward referrals to GSA, so GSA can ensure that the government does not award contracts to individuals or companies that lack business integrity or honesty.

During this reporting period, the OIG made 41 referrals for consideration of suspension or debarment to the GSA Office of Acquisition Policy or other federal debarment officials. There were 76 actions issued based on current and previous OIG referrals.

## INTEGRITY AWARENESS

The OIG presents Integrity Awareness Briefings nationwide to educate GSA employees on their responsibilities for the prevention of fraud and abuse. This period, we presented 45 briefings attended by 2,358 GSA employees, other government employees, and government contractors. These briefings explain the statutory mission of the OIG and the methods available for reporting suspected instances of wrongdoing. In addition, through case studies, the briefings make GSA employees aware of actual instances of fraud in GSA and other federal agencies and thus help to prevent their recurrence. GSA employees are the first line of defense against fraud, abuse, and mismanagement. They are a valuable source of investigative information.

## HOTLINE

The OIG hotline provides an avenue for employees and other concerned citizens to report suspected wrongdoing. Hotline posters located in GSA controlled buildings encourage employees to use the hotline. Our hotline also allows internet submission of complaints. During the reporting period, we received 623 hotline contacts. Of these, 40 were referred to GSA program officials for review and appropriate action, 7 were referred to other federal agencies, 18 were referred to the OIG Office of Audits, 3 were referred to the OIG Office of Inspections, 1 was referred to the OIG Office of Human Resources, and 49 were referred to investigative field offices for investigation or further review.

# STATISTICAL SUMMARY OF OIG INVESTIGATIONS

April 1, 2021 – September 30, 2021

OFFICE OF INVESTIGATIONS	
Referrals for criminal prosecution, civil litigation, administrative action, suspension & debarment	201
Indictments and informations on criminal referrals*	33
Subjects accepted for criminal prosecution	42
Subjects accepted for civil action	13
Convictions	19
Civil settlements/judgments	21
Contractors/individuals suspended and debarred	76
Employee actions taken on administrative referrals involving government employees	19
Investigative Reports**	13
Number of subpoenas	21
Civil settlements and court-ordered and investigative recoveries	\$31,833,705

\* The total number of criminal indictments and criminal informations include all criminal charging documents resulting from any prior referrals to prosecutive authorities.

\*\* The total number of investigative reports include reports of investigations and letterhead reports, which summarize the results of an official investigation and were referred to GSA officials for a response in consideration of taking administrative action or for information only.

## Investigative Workload

The OIG opened 99 investigative cases and closed 59 cases during this period.

## Referrals

The OIG makes criminal and civil referrals to the DOJ or other authorities for prosecutive and litigative consideration. The OIG also makes administrative referrals to GSA officials on certain cases disclosing wrongdoing on the part of GSA employees, contractors, or private individuals doing business with the government.

## Actions on OIG Referrals

Based on these and prior referrals, 42 subjects were accepted for criminal prosecution and 13 subjects were accepted for civil litigation. Criminal cases originating from OIG referrals resulted in 33 indictments or informations and 19 convictions. OIG civil referrals resulted in 21 subject settlements/judgments. Based on OIG administrative referrals, GSA management debarred 42 contractors or individuals, suspended 34 contractors or individuals, and took 19 personnel actions against government employees.

**Table 4. Summary of OIG Referrals**

TYPE OF REFERRAL	CASES	SUBJECTS
Civil	13	46
Criminal (DOJ)*	31	55
Criminal (State/Local)**	15	26
Administrative Referrals for Action/Response		33
Suspension	3	4
Debarment	10	37
<b>TOTAL</b>	<b>72</b>	<b>201</b>

\* The total number of persons referred to DOJ for criminal prosecution includes both individuals and companies which have been referred to DOJ for criminal prosecutorial consideration.

\*\* The total number of persons referred to state and local authorities includes both individuals and companies which have been referred to authorities, other than DOJ, for criminal prosecution. Referrals to military authority for prosecution under the Uniform Code of Military Justice are also included in this metric.

## Monetary Results

Table 5 presents the amounts of fines, penalties, settlements, recoveries, forfeitures, judgments, and restitutions payable to the U.S. government as a result of criminal and civil actions arising from OIG referrals. Table 6 presents the amount of administrative recoveries and forfeitures as a result of investigative activities. Criminal, civil, and other monetary recoveries arising from our work totaled more than \$31 million.

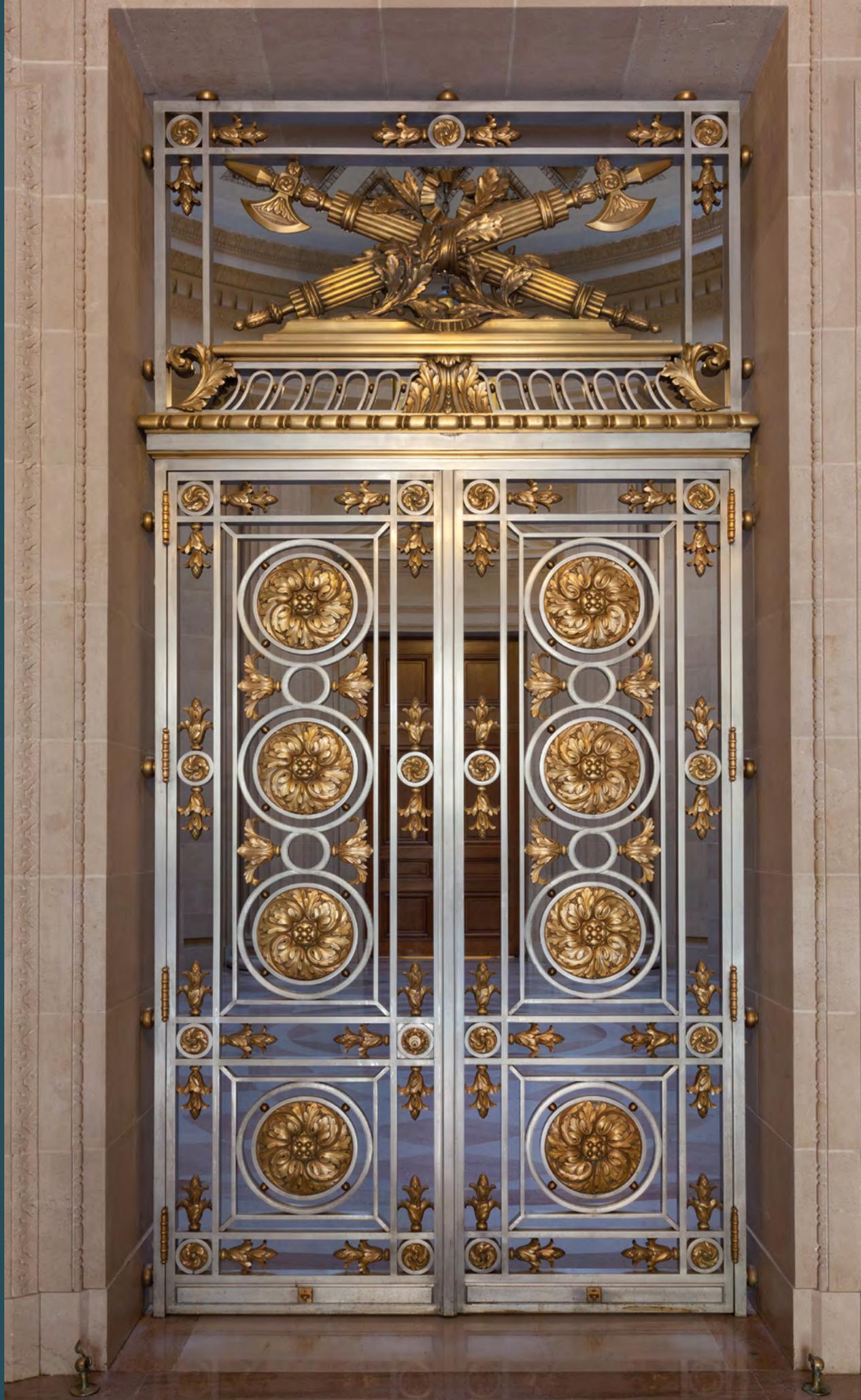
**Table 5. Criminal and Civil Results**

	CRIMINAL	CIVIL
Fines and Penalties	\$177,250	
Settlements		\$10,892,654
Recoveries/Forfeitures	\$399,000	\$1,691,089
Restitutions	\$1,081,000	
<b>TOTAL</b>	<b>\$1,657,250</b>	<b>\$12,583,743</b>

**Table 6. Non-Judicial Recoveries\***

Administrative Recoveries	\$17,592,712
Forfeitures/Restitution	\$0
<b>TOTAL</b>	<b>\$17,592,712*</b>

\* This total includes the FAR disclosures reported on page 21.



# GOVERNMENT-WIDE POLICY ACTIVITIES

# GOVERNMENT-WIDE POLICY ACTIVITIES

We regularly provide advice and assistance on government-wide policy matters to GSA, as well as to other federal agencies and committees of Congress.

In addition, as required by the Inspector General Act of 1978, as amended, we review existing and proposed legislation and regulations to determine their effect on the economy and efficiency of GSA's programs and operations and on the prevention and detection of fraud and mismanagement. Because of the central management role of GSA in shaping government-wide policies and programs, most of the legislation and regulations reviewed affect government-wide issues such as procurement, property management, travel, and government management and IT systems.

## Interagency and Intra-agency Committees and Working Groups

- **Council of the Inspectors General on Integrity and Efficiency (CIGIE).** The IG is a member of the Budget, Investigations, and Legislation Committees. Through CIGIE, we also participate in the following:
  - **Pandemic Response and Accountability Committee.** The Office of Audits and the Office of Investigations both participate in CIGIE's Pandemic Response and Accountability Committee. The government's coronavirus response includes \$2.6 trillion in economic relief to individual citizens, loans for businesses, and support for hospitals and other medical providers, as well as economic relief for affected businesses; industries; and state, local, and tribal governments. The Pandemic Response and Accountability Committee's mission is to promote transparency and ensure coordinated, comprehensive oversight of the government's spending and coronavirus response to prevent and detect fraud, waste, abuse, and mismanagement.
  - **Federal Audit Executive Council Information Technology Committee.** The Office of Audits participates in the Federal Audit Executive Council (FAEC) IT Committee. This committee provides a forum to share information and coordinate audits of significant IT issues with the OIG community and the federal government. The committee also develops and recommends best practices to be used by OIGs in addressing IT issues.

- **Federal Audit Executive Council Digital Accountability and Transparency Act Working Group.** The Office of Audits participates in the FAEC Digital Accountability and Transparency Act (DATA Act) working group. The working group’s mission is to assist the OIG community in understanding and meeting its DATA Act oversight requirements by: (1) serving as a working level liaison with the Department of the Treasury, (2) consulting with the GAO, (3) developing a common review approach and methodology, and (4) coordinating key communications with other stakeholders. The Office of Audits participates to stay abreast of the latest DATA Act developments in order to monitor GSA’s implementation of the DATA Act.
- **Federal Audit Executive Council Contracting Committee.** The Office of Audits participates in the FAEC Contracting Committee. The committee is involved with addressing contract, program, and acquisition management issues that have common interest throughout the OIG community. The committee shares information on audit topics, successful audits, and related techniques.
- **Diversity Equity and Inclusion Working Group.** The Inspector General participates in the CIGIE Diversity, Equity, and Inclusion (DE&I) Working Group, which seeks to promote DE&I throughout the OIG community. This work group serves as an important resource and informs our own strategy of engaging our workforce and enhancing our workplace environment to deliver maximum value to the diverse public we serve.
- **Enterprise Risk Management Working Group.** The Office of Audits participates in CIGIE’s Enterprise Risk Management (ERM) working group. The working group’s mission is to contribute to the promotion and implementation of ERM principles in accordance with OMB Circular A-123 within OIGs and their respective agencies. The Office of Audits participates in the working group as a part of a collaborative effort with other OIGs to oversee the sharing of processes and best practices used to analyze, prioritize, and address risks identified and relevant to implementing ERM in the federal government.
- **Geospatial Data Act Working Group.** The Office of Audits participates in the Geospatial Data Act of 2018 (GDA) working group. The working group’s mission is to assist the OIG community in understanding and meeting its GDA oversight requirements by: (1) consulting with the Federal Geospatial Data Committee, (2) developing a common review approach and methodology, and (3) coordinating key communications with other stakeholders. The Office of Audits participates to stay abreast of the latest GDA developments in order to monitor GSA’s compliance with GDA requirements.

- **Data Analytics Working Group.** The Office of Investigations participates in the CIGIE Data Analytics Working Group. The working group’s projects include developing training forums in data analytics, updating a repository of databases and other sources of information used by the OIG community, and identifying cross-cutting initiatives using data analytics to detect fraud.
- **Blue Book Working Group.** The Office of Inspections participates in the Blue Book Working Group. The working group is composed of inspection and evaluation (I&E) professionals from the IG community who worked to review, update, and revise the CIGIE Quality Standards for Inspection and Evaluation (Blue Book) issued in December 2020. The working group continues to provide education and instruction on the revised Blue Book standards.
- **Inspection and Evaluation Peer Review Working Group.** The Office of Inspections participates in the I&E Peer Review Working Group. The working group is comprised of I&E professionals from the IG community responsible for promulgating and interpreting the Guide for Conducting Peer Reviews of Inspection and Evaluation Organizations of Federal Offices, along with administering the 3-year cycle of peer reviews. Currently, the working group is updating the Guide to coincide with the new Blue Book published in December 2020, and continuing to provide education and instruction on the external peer review process.
- **Inspection and Evaluation Roundtable.** The Office of Inspections participates in the I&E Roundtable. The Roundtable provides a forum to share information and coordinate issues of importance within the OIG inspections and evaluations community.
- **Investigations Training Subcommittee.** The Office of Investigations participates in the CIGIE Investigations Training Subcommittee. The subcommittee establishes and promotes training resources for investigative staff throughout the OIG community.
- **DOJ Antitrust Division’s Procurement Collusion Strike Force (PCSF).** The Office of Investigations is a partner agency of the PCSF. The PCSF leads a coordinated national response to combat antitrust crimes and related schemes in government procurement, grant, and program funding at all levels of government - Federal, state and local.

# APPENDIXES

# APPENDIX I

## ACRONYMS AND ABBREVIATIONS

<b>AFOSI</b>	U.S. Air Force Office of Special Investigations	<b>HR</b>	Human Resources
<b>Army CID</b>	U.S. Army Criminal Investigation Division	<b>HSI</b>	Homeland Security Investigations
<b>ATF</b>	Bureau of Alcohol, Tobacco, Firearms and Explosives	<b>I&amp;E</b>	Inspection and evaluation
<b>BOP</b>	Bureau of Prisons	<b>IRS-CI</b>	Internal Revenue Service Criminal Investigations Division
<b>CARES Act</b>	Coronavirus Aid, Relief, and Economic Security Act	<b>IT</b>	Information Technology
<b>CBP</b>	U.S. Customs and Border Protection	<b>ITP</b>	Insider Threat Program
<b>CDC</b>	Centers for Disease Control and Prevention	<b>LAM</b>	Lease Administration Manager
<b>CDL</b>	Commercial driver's license	<b>MPFU</b>	Major Procurement Fraud Unit
<b>CIGIE</b>	Council of the Inspectors General on Integrity and Efficiency	<b>MSO</b>	Managed Services Office
<b>COR</b>	Contracting Officer Representative	<b>NCIS</b>	Naval Criminal Investigative Service
<b>COVID-19</b>	Coronavirus disease of 2019	<b>O&amp;M</b>	Operations and maintenance
<b>CSP</b>	Commercial Sales Practices	<b>OAS</b>	Office of Administrative Services
<b>DATA Act</b>	Digital Accountability and Transparency Act of 2014	<b>OCFO</b>	Office of the Chief Financial Officer
<b>DCIS</b>	Defense Criminal Investigative Service	<b>OHRM</b>	Office of Human Resource Management
<b>DHS</b>	Department of Homeland Security	<b>OIG</b>	Office of Inspector General
<b>DoD</b>	Department of Defense	<b>OMA</b>	Office of Mission Assurance
<b>DOE</b>	Department of Energy	<b>OMB</b>	Office of Management and Budget
<b>DOJ</b>	Department of Justice	<b>OPM</b>	Office of Personnel Management
<b>DOL</b>	Department of Labor	<b>PBS</b>	Public Buildings Service
<b>DOS</b>	Department of State	<b>PCSF</b>	Procurement Collusion Strike Force
<b>ESPC</b>	Energy Savings Performance Contracts	<b>PIV</b>	Personal Identity Verification
<b>ERM</b>	Enterprise Risk Management	<b>PRB</b>	Performance Review Board
<b>FAEC</b>	Federal Audit Executive Council	<b>RIGA</b>	Regional Inspector General for Audits
<b>FAP</b>	Fine Arts Program	<b>SAM</b>	System for Award Management
<b>FAR</b>	Federal Acquisition Regulation	<b>SBA</b>	Small Business Administration
<b>FAS</b>	Federal Acquisition Service	<b>SDVOSB</b>	Service-Disabled Veteran-Owned Small Business
<b>FASPP</b>	Federal Aggregated Solar Procurement Project	<b>SES</b>	Senior Executive Service
<b>FBI</b>	Federal Bureau of Investigation	<b>SIN</b>	Special Item Number
<b>FDA</b>	Food and Drug Administration	<b>TAA</b>	Trade Agreements Act
<b>FPDS-NG</b>	Federal Procurement Data System-Next Generation	<b>TDR</b>	Transactional Data Reporting
<b>FY</b>	Fiscal Year	<b>TIGTA</b>	U.S. Treasury Inspector General for Tax Administration
<b>GAO</b>	Government Accountability Office	<b>Treasury</b>	Department of Treasury
<b>GDA</b>	Geospatial Data Act of 2018	<b>UCMJ</b>	Uniform Code of Military Justice
<b>GPC</b>	Government purchase card	<b>USDA</b>	U.S. Department of Agriculture
<b>GSA</b>	General Services Administration	<b>USMC-CID</b>	U.S. Marine Corps Criminal Investigation Division
<b>GSAM</b>	General Services Acquisitions Manual	<b>USMS</b>	U.S. Marshals Service
		<b>USSS</b>	United States Secret Service
		<b>VA</b>	U.S. Department of Veterans Affairs
		<b>WAPA</b>	Western Area Power Administration
		<b>WPA</b>	Works Progress Administration

# APPENDIX II

## SIGNIFICANT RECOMMENDATIONS FROM PRIOR REPORTS

The GSA Office of the Chief Financial Officer, Office of Audit Management and Accountability is responsible for tracking the implementation of audit and inspection recommendations after a management decision has been reached, and thus furnished the following status.

Prior Semiannual Reports to the Congress included eight reports with recommendations that have not yet been fully implemented. These recommendations are currently being implemented in accordance with established milestones.

### **GSA'S MISMANAGEMENT OF CONTRACT EMPLOYEE ACCESS CARDS PLACES GSA PERSONNEL, FEDERAL PROPERTY, AND DATA AT RISK**

**Period First Reported: October 1, 2020, to March 31, 2021**

Our objective was to determine if GSA properly accounts for Personal Identity Verification (PIV) cards issued to contract employees in accordance with federal regulation, policy, and guidance. We made two recommendations, which have not been implemented.

The recommendations involve (1) continuing to take action to account for and collect the PIV cards identified in this audit that remain outstanding by updating the GSA Credential and Identity Management System records for contract employees to ensure that they are accurate; and (2) ensuring collaboration between Heads of Services and Staff Offices to require enforcement of current policy and implement new policy to account for all PIV cards issued to contract employees by implementing procedures, using the GSA Credential and Identity Management System, that track and monitor GSA's recovery of PIV cards and communicating the results to the requesting officials and regional leadership. The recommendations are scheduled for completion by November 30, 2021.

## AUDIT OF GSA'S INSIDER THREAT PROGRAM

**Period First Reported: October 1, 2020, to March 31, 2021**

Our objective was to assess whether GSA's Insider Threat Program (ITP) has controls in place to prevent, deter, detect, and mitigate actions by trusted insiders who represent a potential threat to Agency personnel, facilities, operations, and resources. We made two recommendations, which have not been implemented.

The recommendations involve establishing effective controls to (1) enhance cross-organizational communication and collaboration with the ITP by: re-establishing consistent group collaboration with the Office of Human Resource Management (OHRM), Office of GSA IT, the Office of the Chief Financial Officer (OCFO), the Office of Mission Assurance (OMA), and other relevant offices to consult on broader, non-case-specific, insider-threat-related issues, identifying insider threat information, including but not limited to employee suspensions, proposed employee terminations, IT system access, and PIV card collection data maintained by OHRM, Office of GSA IT, OCFO, OMA, and other relevant offices and reassess this information on an ongoing basis, establishing a method for the ITP to proactively and consistently receive insider threat information from OHRM, Office of GSA IT, OCFO, OMA, and other relevant offices; and (2) enhancing oversight of the employee separation and termination process by:

- establishing procedures that ensure the ITP is informed and aware of insider threat risks posed by separated and terminated employees,
- enhancing procedures to monitor separated and terminated employees' IT account activity prior to and after the last day of employment,
- establishing roles and responsibilities to ensure oversight of the employee separation and termination process, and
- establishing a policy for supervisors to collect and submit separated and terminated employees' PIV cards to OMA for destruction within a required time frame.

The recommendations are scheduled for completion by January 31, 2022.

## **FAS’S PACKAGED OFFICE FURNITURE PROGRAM LIMITS OPPORTUNITIES FOR BETTER PRICES AND TAXPAYER SAVINGS**

**Period First Reported: October 1, 2020, to March 31, 2021**

Our objective was to determine if FAS adheres to federal regulations and FAS internal requirements for price evaluations when awarding and extending contracts with Special Item Number (SIN) 33721P, *Packaged Office Furniture*. We made two recommendations, which have not been implemented.

The recommendations involve ensuring that contracts awarded to resellers under the Packaged Office Furniture program meet federal regulations and FAS policy by: (1) developing and implementing a plan to remove current solicitation language that does not require contractors to submit a CSP disclosure under SIN 33721P, *Packaged Office Furniture*; and (2) developing and implementing controls to ensure compliance with Federal Acquisition Regulation 15.4, *Contract Pricing*; GSA Acquisition Regulation 538.270, *Evaluation of Federal Supply Schedule (FSS) offers*; and FAS Policy and Procedure 2018-03, *Proper Documentation of Price Analysis Decisions - Federal Supply Schedule (FSS) Program*, by requiring FAS contracting officers to obtain CSP disclosures on all SINs under the Packaged Office Furniture program, and ensuring that a formal price analysis, which achieves fair and reasonable pricing, is conducted on Packaged Office Furniture SIN items awarded under current contracts to determine if the contract pricing is fair and reasonable. The recommendations are scheduled for completion by March 31, 2022.

## **GSA’S NATIONAL CAPITAL REGION INTERNAL FLEET IS UNDERUTILIZED**

**Period First Reported: October 1, 2020 – March 31, 2021**

Our objective was to determine whether GSA managed its National Capital Region (NCR) internal fleet throughout fiscal year 2019 in accordance with federal and GSA requirements. We made four recommendations; three have not been implemented.

The remaining recommendations involve the Office of Administrative Services (OAS) Chief Administrative Service Officer evaluating the NCR internal fleet program’s current utilization and establishing a documented mechanism to remove underutilized vehicles from the inventory to ensure efficiency; evaluating the Executive Driver Program current usage against commercially available transportation sources and rates to balance needs and achieve cost savings beneficial to the Government; and creating procedures to identify GSA employees who are authorized to operate vehicles and ensure compliance with federal requirements for authorized operators, including the OAS employee serving as an Executive Driver Program driver. The recommendations are scheduled for completion by February 28, 2022.

## **GSA NEEDS TO MORE EFFECTIVELY MANAGE ITS WORKERS' COMPENSATION PROGRAM**

**Period First Reported: April 1, 2020, to September 30, 2020**

Our objective was to determine if GSA effectively managed its workers' compensation program to reduce its costs by: (1) submitting claims accurately and on time, (2) maintaining case files and monitoring claims to ensure injured employees returned to work, and (3) ensuring the accuracy of chargeback costs. We made five recommendations; four have not been implemented.

The recommendations involve: (1) reviewing, revising, and implementing policies and procedures to more effectively manage GSA's workers' compensation cases; (2) reviewing, revising, and implementing case monitoring policies and procedures to ensure that workers' compensation specialists provide timely responses to inquiries and questions from the U.S. Department of Labor (DOL) regarding workers' compensation cases, review forms from DOL to ensure accuracy and completeness, and request additional information or further review from DOL on questionable cases; (3) reviewing and revising policies and procedures to include a process for assessing cases where employees have not returned to work to determine appropriate follow-up actions, and maintaining contact with claimants to monitor their status and assist in returning them to work when medically capable; and (4) developing and implementing a process to verify the accuracy of the DOL chargeback reports. The recommendations are scheduled for completion by December 31, 2021.

## **THE FEDERAL ACQUISITION SERVICE'S REPORTING OF SMALL BUSINESS PROCUREMENTS CONTAINED SIGNIFICANT INACCURACIES**

**Period First Reported: April 1, 2020, to September 30, 2020**

Our objective was to determine if FAS properly identifies and reports small business procurements in accordance with the Federal Acquisition Regulation. We made two recommendations; one has not been implemented.

The remaining recommendation involves addressing the Federal Procurement Data System-Next Generation limitations to ensure that contracting officers can accurately identify, and the data will accurately reflect, small business procurements. The recommendation is scheduled for completion by December 30, 2021.

## **GSA OFFICE OF MISSION ASSURANCE 2018 EAGLE HORIZON EXERCISE RESULTS DID NOT PROPERLY REFLECT AGENCY’S STATE OF READINESS**

**Period First Reported: April 1, 2020 – September 30, 2020**

Our objective was to determine whether GSA planned, conducted, and reported on the 2018 Eagle Horizon exercise in accordance with federal and GSA policies and principles. We made two recommendations; one has not been implemented.

The remaining recommendation involves the OMA Associate Administrator updating or developing internal policies on planning and reporting on test, training, and exercise events to align with federal continuity of operations directives and requirements. The recommendation is scheduled for completion by October 29, 2021.

## **REPORTS WITH RECOMMENDATIONS THAT HAD NOT YET BEEN FULLY IMPLEMENTED AS OF SEPTEMBER 30, 2021, BUT HAVE SINCE BEEN FULLY IMPLEMENTED**

### **AUDIT OF THE SIDNEY R. YATES FEDERAL BUILDING EXTERIOR RESTORATION PROJECT**

**Period First Reported: October 1, 2020, to March 31, 2021**

Our objectives were to determine whether: (1) GSA’s Public Buildings Service National Capital Region (PBS NCR) administered contracts in accordance with federal regulations and Agency policy and (2) the allegations in the complaint of GSA’s PBS NCR project mismanagement are valid. We made two recommendations; they have both been implemented as of October 5, 2021.

# APPENDIX III

## AUDIT AND INSPECTION REPORT REGISTER

DATE OF REPORT	REPORT NUMBER	TITLE	FINANCIAL RECOMMENDATIONS	
			FUNDS BE PUT TO BETTER USE	QUESTIONED COSTS
(Note: Because some audits pertain to Contract awards or actions that have not yet been completed, the financial recommendations related to these reports are not listed in this Appendix.)				
<b>PBS PERFORMANCE AUDITS</b>				
04/21/2021	A200976	Audit of PBS Basic Repairs and Alterations Project: Federal Bureau of Prisons Headquarters		
05/17/2021	A190021	PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus		
06/17/2021	A200976	Audit of PBS Basic Repairs and Alterations Project: United States Court of International Trade Building		
08/26/2021	A201018	PBS Did Not Always Follow CDC and Internal Guidance to Limit the Risk of COVID-19 Exposure		
09/21/2021	A201011	Audit of PBS Lease Administration		
09/24/2021	A201046	PBS's Northeast and Caribbean Region is Not Effectively Overseeing its Operations and Maintenance Contracts		
09/30/2021	A190066	Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance		
09/30/2021	A201020	Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts		\$128,126
<b>PBS CONTRACT AUDITS</b>				
06/09/2021	A201000	Independent Examination of a Claim: Berkel & Company Contractors, Inc., Subcontractor to Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002		
06/14/2021	A201028	Independent Examination of Costs to Date Massachusetts Institute of Technology Investment Management Company Relative to its Exchange Agreement with the General Services Administration for the John A. Volpe National Transportation Systems Center		
07/08/2021	A200996	Independent Examination of a Claim: Helix Electric, Inc., Subcontractor to Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002		
08/27/2021	A200997	Independent Examination of a Claim: Kirlin Design Build, LLC, Subcontractor to Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002		
<b>FAS PERFORMANCE AUDITS</b>				
06/24/2021	A140143	GSA's Transactional Data Reporting Pilot Is Not Used to Affect Pricing Decisions		
09/15/2021	A210050	Implementation Review of Corrective Action Plan: Improper Pricing on the McKinsey Professional Services Contract May Cost the United States an Estimated \$69 Million		
09/24/2021	A190067	FAS's Inadequate Oversight of Contractual and Security Requirements Places the USAccess Program at Risk		
<b>FAS CONTRACT AUDITS</b>				
04/13/2021	A201032	Independent Preward Examination of Multiple Award Schedule Contract Extension: Defense Engineering, Inc., Contract Number GS-35F-0450X		\$83,114
04/26/2021	A200978	Independent Preward Examination of Multiple Award Schedule Contract Extension: Adorama, Inc., Contract Number GS-02F-0016S		

DATE OF REPORT	REPORT NUMBER	TITLE	FINANCIAL RECOMMENDATIONS	
			FUNDS BE PUT TO BETTER USE	QUESTIONED COSTS
04/28/2021	A201027	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Ad Hoc, LLC, Contract Number GS-35F-392DA		\$839,196
04/28/2021	A201034	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Cartridge Technologies, Inc., Contract Number GS-03F-0151X		\$820
05/19/2021	A210016	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Paradyme Management, Inc., Contract Number GS-35F-0594X		
05/27/2021	A201023	Independent Preaward Examination of Multiple Award Schedule Contract Extension: West Publishing Corporation, Contract Number GS-02F-026DA		
05/28/2021	A201041	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Scott Technologies, Inc., Contract Number GS-07F-174DA		
06/30/2021	A201044	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Computer World Services Corp., Contract Number GS-35F-0600X		\$130,126
07/02/2021	A210035	Independent Preaward Examination of Multiple Award Schedule Contract Extension: ABBTECH Professional Resources, Inc., Contract Number GS-35F-179GA		
07/15/2021	A210017	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Grove Resource Solutions, Inc., Contract Number GS-35F-0013Y		\$61,642
07/16/2021	A201038	Independent Preaward Examination of Multiple Award Schedule Contract Extension: The MASY Group, LLC., Contract Number GS-00F-217DA		\$127,373
08/06/2021	A210014	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Boston Government Services, LLC, Contract Number GS-00F-013GA		\$116,666
08/11/2021	A210019	Independent Preaward Examination of Multiple Award Schedule Contract Extension: TCG, Inc., Contract Number GS-35F-069GA		\$3,258
08/27/2021	A210041	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Procentrix, Inc., Contract Number GS-35F-0294T		
08/31/2021	A201008	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Federal Resources Supply Company, Contract Number GS-07F-9287S		\$1,981
09/14/2021	A210022	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Deere & Company, Contract Number GS-30F-0007T		
09/17/2021	A201024	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Promark Technology, Inc., Contract Number GS-35F-303DA		
09/21/2021	A210013	Independent Preaward Examination of Multiple Award Schedule Contract Extension: OMNI Business Systems, Inc., Contract Number GS-25F-0051S		\$21,333
09/23/2021	A210032	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Gunnison Consulting Group, Inc., Contract Number GS-35F-0161Y		
09/23/2021	A210042	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract: ADC LTD NM, Contract Number GS-02F-0043U		\$820,514
09/28/2021	A210024	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Slalom, LLC, Contract Number GS-35F-053GA		
09/30/2021	A201025	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Hyland Software, Inc., Contract Number GS-35F-249DA		
<b>OTHER PERFORMANCE AUDITS</b>				
05/11/2021	A210015	GSA Complied with the Improper Payments Acts in Fiscal Year 2020		
07/16/2021	A190056	Audit of the Migration of Legacy GSA Human Resource Systems to HR Links		
<b>INSPECTION REPORTS</b>				
09/14/2021	JE21-002	Evaluation of GSA's Use of an Ad Hoc Appraisal Process for an Executive		
09/30/2021	JE21-003	Unrestricted Summary: Facility Inspection of a High-Risk GSA Building		

# APPENDIX IV OIG REPORTS OVER 12 MONTHS OLD, FINAL AGENCY ACTION PENDING

Section 6009 of the Federal Acquisition Streamlining Act of 1994, Public Law 103-55, as amended by Section 810 of Public Law 104-106, requires the head of a federal agency to complete final action on each management decision required with regard to a recommendation in an Inspector General’s report within 12 months after the date of the report. If the head of the agency fails to complete final action within the 12-month period, the Inspector General shall identify the matter in the semiannual report until final action is complete.

*The Office of Administrative Services provided the following list of reports with action items open beyond 12 months:*

DATE OF REPORT	REPORT NUMBER	TITLE
<b>CONTRACT AUDITS</b>		
03/30/2017	A150001	Preaward Examination of Multiple Award Schedule Contract Extension: Noble Sales Co., Inc., Contract Number GS-06F-0032K
04/20/2018	A170046	Preaward Examination of Multiple Award Schedule Contract Extension: Enlightened, Inc., Contract Number GS-35F-0703M
06/12/2018	A180035	Preaward Examination of Multiple Award Schedule Contract Extension: Millennium Systems Services, Inc., Contract Number GS-10F-0594N
02/21/2019	A180052	Examination of a Termination Settlement Proposal: Honeywell International, Inc., Contract Number GS-P-08-16-JE-7081
01/29/2020	A170113	Preaward Examination of Multiple Award Schedule Contract Extension: Palmetto GBA, LLC, Contract Number GS-02F-0089U
04/22/2020	A200987	Independent Examination of a Claim: WSSA Birmingham, LLC, Contract Number GS-04P-LAL60443
05/27/2020	A190070	Independent Postaward Examination of Multiple Award Schedule Contract: KPaul Properties, LLC, Contract Number GS-21F-0095U
05/29/2020	A190108	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Evolver Inc., Contract Number GS-35F-0879R
06/02/2020	A200959	Independent Postaward Examination of Multiple Award Schedule Contract: Exponent, Inc., Contract Number GS-23F-0390K
07/10/2020	A160131	Independent Postaward Examination of Multiple Award Schedule Contract Extension: T-Mobile USA, Inc., Contract Number GS-35F-0503M
07/20/2020	A200981	Independent Examination of a Claim: TL Services, Inc., GS-21F-0185W, Task Order GS-P-09-14-KS-0043
07/31/2020	A190091	Independent Postaward Examination of Multiple Award Schedule Contract: The RAND Corporation, Contract Number GS-10F-0275P

DATE OF REPORT	REPORT NUMBER	TITLE
08/25/2020	A200972	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Cummins Power Generation, Inc., Contract Number GS-07F-017DA
09/29/2020	A190088	Independent Preaward Examination of Multiple Award Schedule Contract Extension: United Rentals, Inc., Contract Number GS-06F-0068R
09/30/2020	A201015	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Geneva Software, Inc., Contract Number GS-35F-248DA

DATE OF REPORT	REPORT NUMBER	TITLE	PROJECTED FINAL ACTION DATE
<b>INTERNAL AUDITS</b>			
09/02/2020	A190024	GSA Needs to More Effectively Manage Its Workers' Compensation Program	12/31/2021
09/14/2020	A170121	The Federal Acquisition Service's Reporting of Small Business Procurements Contained Significant Inaccuracies	12/30/2021

DATE OF REPORT	REPORT NUMBER	TITLE	PROJECTED FINAL ACTION DATE
<b>INSPECTIONS AND EVALUATIONS</b>			
08/13/2020	JE20-002	GSA Office of Mission Assurance 2018 Eagle Horizon Exercise Results Did Not Properly Reflect Agency's State of Readiness	10/29/2021

## APPENDIX V OIG REPORTS WITHOUT MANAGEMENT DECISION

Section 5(a)(10)(A) of the Inspector General Act of 1978, as amended, requires a summary of each report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period.

There are no OIG reports that meet this requirement this reporting period.

# APPENDIX VI MANAGEMENT DECISIONS REVISED OR WITH WHICH THE INSPECTOR GENERAL IS IN DISAGREEMENT

Section 5(a)(11) of the Inspector General Act of 1978, as amended, requires a description and explanation of the reasons for any significant revised management decision made during the reporting period. Section 5(a)(12) of the Act requires information concerning any significant management decision with which the Inspector General is in disagreement. There were no such decisions during this reporting period.

## APPENDIX VII

# PEER REVIEW RESULTS

Section 5(a) (14)-(16) of the Inspector General Act of 1978, as amended, requires each Inspector General to submit an appendix containing the results of any peer review conducted by another Office of Inspector General (OIG) during the reporting period or, if no peer review was conducted, a statement identifying the date of the last peer review conducted; a list of any outstanding recommendations from any peer review conducted by another OIG that have not been fully implemented, the status of the recommendation, and an explanation why the recommendation is not complete; and a list of any peer reviews conducted by the OIG of another Office of Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review that have not been fully implemented.

In FY 2018, the GSA OIG Office of Audits underwent a peer review by the Department of Agriculture OIG. On September 26, 2018, the Office of Audits received a peer review rating of “pass.” The peer review team found that the Office of Audits’ system of quality control is suitably designed and complied with to provide it with reasonable assurance of performing and reporting in conformity with the quality standards established by CIGIE in all material aspects. No outstanding recommendations exist from any peer review conducted by another OIG. The Department of Labor OIG is currently conducting a peer review of the Office of Audits.

In addition, the GSA OIG Office of Audits completed an external peer review of the Department of Health and Human Services. The Department of Health and Human Services has no outstanding recommendations issued by any previous peer review that have not been fully implemented.

Also in FY 2021, the GSA OIG Office of Inspections underwent a peer review by the Library of Congress OIG and Architect of the Capital OIG. The peer review team found the Office of Inspections’ policies and procedures generally met the selected seven standards established in the January 2012 CIGIE Quality Standards for Inspection and Evaluation. The peer review team also found the selected report generally met the quality standards and complied with the Office of Inspections’ internal policies and procedures. No outstanding recommendations exist for the Office of Inspections.

In FY 2020, the GSA OIG Office of Investigations underwent a peer review by the Department of Education OIG and received a passing rating. The peer review team found that the systems of internal safeguards and management procedures for the Office of Investigations complied with the standards established for investigations by the Attorney General Guidelines and CIGIE. There were no outstanding recommendations from prior peer reviews.

# APPENDIX VIII

## GOVERNMENT CONTRACTOR SIGNIFICANT AUDIT FINDINGS

The National Defense Authorization Act for FY 2008, Public Law 110-181, Section 845, requires each IG appointed under the Inspector General Act of 1978, as amended, to submit an annex on final, completed contract audit reports issued to the contracting activity as part of its Semiannual Report to the Congress.

The annex addresses significant audit findings — unsupported, questioned, or disallowed costs in excess of \$10 million — or other significant contracting issues. During this reporting period, there were no reports that met these requirements.

# APPENDIX IX UNIMPLEMENTED RECOMMENDATIONS

## UNIMPLEMENTED RECOMMENDATIONS FROM REPORTS ISSUED BEFORE THE COMMENCEMENT OF THIS SEMIANNUAL REPORTING PERIOD

The table below provides a summary of each audit, inspection, or evaluation report issued before the commencement of the reporting period for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations.

RECOMMENDATIONS UNIMPLEMENTED THAT ARE IN PROCESS			
FISCAL YEAR	TITLE	NUMBER OF UNIMPLEMENTED RECOMMENDATIONS	POTENTIAL COST SAVINGS
2020	GSA Needs to More Effectively Manage Its Workers' Compensation Program	4	\$0
2020	The Federal Acquisition Service's Reporting of Small Business Procurements Contained Significant Inaccuracies	1	\$0
2020	GSA Office of Mission Assurance 2018 Eagle Horizon Exercise Results Did Not Properly Reflect Agency's State of Readiness	1	\$0
2021	GSA's National Capital Region Internal Fleet is Underutilized	3	\$2,073,129
2021	Audit of GSA's Mismanagement of Contract Employee Access Cards Places GSA Personnel, Federal Property, and Data at Risk	2	\$0
2021	Audit of the Sidney R. Yates Federal Building Exterior Restoration Project	1*	\$0
2021	Audit of GSA's Insider Threat Program	2	\$0
2021	FAS's Packaged Office Furniture Program Limits Opportunities for Better Prices and Taxpayer Savings	2	\$0
<b>Totals:</b>	<b>8</b>	<b>16</b>	<b>\$2,073,129</b>

\* This recommendation was implemented on 10/5/2021.

## RECOMMENDATIONS UNIMPLEMENTED DUE TO AGENCY MANAGEMENT DISAGREEMENT

The table below provides a summary of each audit, inspection, or evaluation report for which there are any outstanding unimplemented recommendations due to an Agency management decision with which the Inspector General is in disagreement.

RECOMMENDATIONS UNIMPLEMENTED DUE TO DISAGREEMENT			
FISCAL YEAR	TITLE	NUMBER OF UNIMPLEMENTED RECOMMENDATIONS	POTENTIAL COST SAVINGS
2017	GSA's Decisions to Vacate And Renovate the Leased Federal Courthouse in Pensacola Are Based on Faulty Premises	2	\$0
2017	PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	3	\$0
2018	Evaluation of GSA's Management and Administration of the Old Post Office Building Lease	1	\$0
2018	Evaluation of GSA Nondisclosure Policy	1	\$0
<b>Totals:</b>	<b>4</b>	<b>7</b>	<b>\$0</b>

# APPENDIX X

## REPORTING REQUIREMENTS

The table below cross-references the reporting requirements prescribed by the Inspector General Act of 1978, as amended, to the specific pages where they are addressed. The information required by the National Defense Authorization Act for Fiscal Year 2008 and the Federal Acquisition Streamlining Act of 1994, as amended, are also cross-referenced to the appropriate pages of the report.

REQUIREMENTS INSPECTOR GENERAL ACT OF 1978, AS AMENDED		PAGE
SECTION		
4(a)(2)	Review of Legislation and Regulations	50
5(a)(1)	Significant Problems, Abuses, and Deficiencies	6
5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	8-29
5(a)(3)	Prior Recommendations Not Yet Implemented	55-59
5(a)(4)	Matters Referred to Prosecutive Authorities	45-46
5(a)(5) and 6(c)(2)	Summary of Instances Where Information Was Refused	none
5(a)(6)	List of OIG Reports	60-61
5(a)(7)	Summary of Each Particularly Significant Report	8-19, 28-29
5(a)(8)	Statistical Tables on Management Decisions on Questioned Costs	25
5(a)(9)	Statistical Tables on Management Decisions on Recommendations That Funds Be Put to Better Use	24
5(a)(10) (A)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period Which No Management Decision Has Been Made	64
5(a)(10) (B)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period Which No Agency Comment was Returned within 60 Days	none
5(a)(10) (C)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period for Which there are Unimplemented Recommendations	68-69
5(a)(11)	Description and Explanation for Any Significant Revised Management Decision	none
5(a)(12)	Information on Any Significant Management Decisions with Which the Inspector General Disagrees	65
5(a)(13)	Compliance with Federal Financial Management Improvement Act	none
5(a)(14)-(16)	Peer Review Results	66
5(a)(17)	Statistical Tables of Investigation Metrics	45-47
5(a)(18)	Description of Investigation Metrics	45-46
5(a)(19)	Investigations of Senior Employees where Misconduct was Substantiated	41
5(a)(20)	Description of any Instance of Whistleblower Retaliation	none
5(a)(21)	Description of any Attempt by the Agency to Interfere with OIG Independence	none
5(a)(22)(A)	Description of each Inspection, Evaluation and Audit Not Publicly Disclosed	29, 60-61
5(a)(22)(B)	Description of Investigations involving a Senior Government Employee Not Publicly Disclosed	42
OTHERS		
PL 103-355, Sec 6009	Management Decisions and Implementation of Audit Recommendations	62
PL 110-181, Sec. 845	Government Contractor Significant Findings	67



Make  
like  
it's your  
money!

It is.

To report suspected waste, fraud, abuse, or  
mismanagement in GSA, call your

Inspector General's Hotline

Toll-free 1-800-424-5210  
Washington, DC metropolitan area  
(202) 501-1780

or access the Web:  
<https://www.gsaig.gov/hotline/>

or write: GSA, IG, Hotline Officer  
Washington, DC 20405

Photo: Staircase alcove in former General Post Office, Tariff Building; now the Monaco Hotel, Washington, D.C.



[www.twitter.com/GSA\\_OIG](https://twitter.com/GSA_OIG)



<https://www.gsaig.gov/content/rss-feeds>



Office of Inspector General  
U.S. General Services Administration  
1800 F Street, NW  
Washington, DC 20405  
<https://www.gsaig.gov>